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University of California Source of Community Leaders Series

Eugene E. Trefethen

KAISER INDUSTRIES, TREFETHEN VINEYARDS, THE UNIVERSITY OF CALIFORNIA,
AND MILLS COLLEGE, 1926-1994

With an Introduction by
Cornell Maier
and
James A. Vohs

Interviews Conducted by
Germaine LaBerge
in 1994

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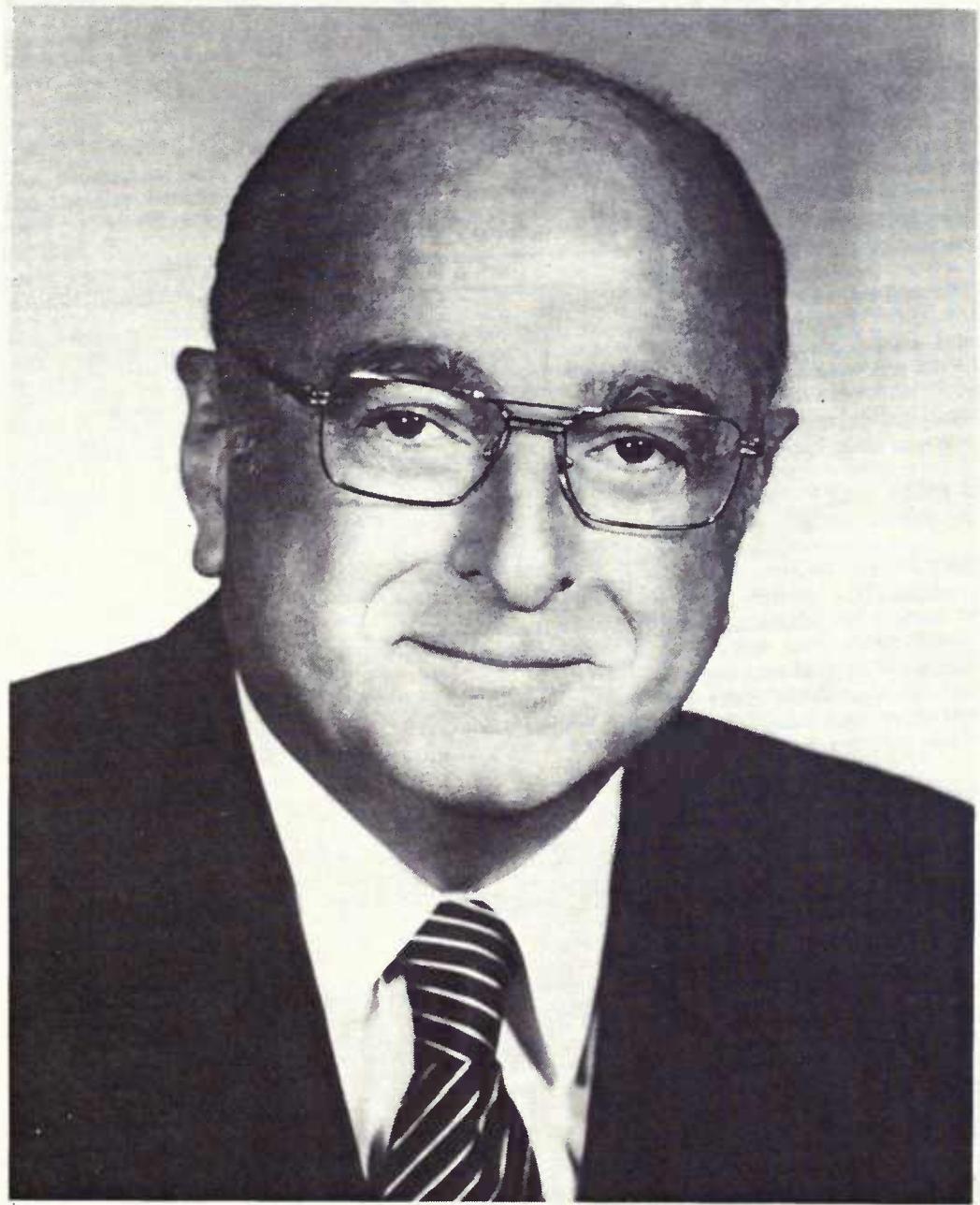
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EUGENE E. TREFETHEN, JR.

February 2, 1996

Industrialist Eugene Trefethen Jr. dies

ASSOCIATED PRESS

NAPA — Eugene Trefethen Jr., who oversaw the building of the Hoover Dam and the Bay Bridge, then later owned a world-class winery estate, has died.

Oakland Tribune 2/2/96

The 86-year-old philanthropist, who also helped create the Walter A. Haas School of Business at the University of California, Berkeley, died Wednesday at his home following a brief illness.

Trefethen began his career in 1926 as a sand-and-gravel laborer with the Kaiser Aluminum & Chemical Corp. In five decades with the company, he worked closely with Henry J. Kaiser on the Hoover Dam and the Bay Bridge and rose to president and vice chairman of Kaiser Industries Corp.

"Trefethen was the financial and managerial genius who turned Henry J. Kaiser's dreams into reality, creating one of the largest industrial forces of the 20th century," said Cornell Maier, retired chairman of the board and chief executive officer of Kaiser.

Gov. Pete Wilson called Trefethen "the eighth wonder of the world."

"Industrialist, philanthropist, master vintner and builder of a great university, of a great private health care system and of dams and bridges that have been compared to the seven wonders of the world — Gene Trefethen was, to the legion of his friends and admirers, the eighth wonder."

Trefethen retired in 1979 and in his later years, tended to the 600-acre Napa Valley estate built in 1886.

His son, John Vance Trefethen, established the Trefethen Winery in 1973 with his wife, Janet Spooner Trefethen. They built it into a well respected winery that now produces 100,000 cases of vintage-dated varietal wines. It won the Best Chardonnay In The World award in the Gault-Millau World Win Olympics in 1979.

"Gene Trefethen, in addition to being a marvelous person, helped all of us develop Napa Valley to world-class status," vintner Robert Mondavi said.

Trefethen also was a philanthropist, who gave generously of his time and money to UC Berkeley, his alma mater, Mills College, the San Francisco Museum of Modern Art and UC San Francisco.

Cataloging Information

TREFETHEN, Eugene E. (1909-1996)

Business Executive

Kaiser Industries, Trefethen Vineyards, the University of California, and Mills College, 1926-1994, 1997, xv, 189pp.

Oakland childhood; University of California, 1926-1930, and meeting Edgar Kaiser; Harvard Business School, 1930-1931; working for Henry Kaiser, 1931-1967: Boulder and Shasta Dams, Richmond Shipyards, Kaiser-Frazer automobiles, TV, magnesium, aluminum, steel, bauxite, cement, Kaiser Permanente health plan; Kaiser Industries president, 1967-1979: labor and government relations, Oakland headquarters, liquidation and reorganization; comments on Kaiser family; Trefethen Vineyards, 1968-1994; fund raising for UC Berkeley, Mills College, S.F. Museum of Modern Art, and others. Includes interview with Catherine Morgan Trefethen and Barbara Morgan Eisele.

Introduction by Cornell Maier, Chairman-CEO (Retired), Kaiser Aluminum and Chemical Corporation; and James A. Vohs, Chairman Emeritus, Kaiser Foundation Health Plan.

Interviewed 1994 by Germaine LaBerge for the University of California Source of Community Leaders Oral History Series. The Regional Oral History Office, The Bancroft Library, University of California, Berkeley.

This oral history of Eugene E. Trefethen was made possible by
contributions from the following sources

The Clausen Family Foundation

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PREFACE

On the occasion of the 50th anniversary of our graduation from the University of California at Berkeley, the Class of 1931 made the decision to present its alma mater with an endowment for an oral history series to be titled "The University of California, Source of Community Leaders." The Class of 1931 Oral History Endowment provides a permanent source of funding for an ongoing series of interviews by the Regional Oral History Office of The Bancroft Library.

The commitment of the endowment is to carry out interviews with persons related to the University who have made outstanding contributions to the community, by which is meant the state or the nation, or to a particular field of endeavor. The memoirists, selected by a committee set up by the class, are to come from Cal alumni, faculty, and administrators. The men and women chosen will comprise an historic honor list in the rolls of the University.

To have the ability to make a major educational endowment is a privilege enjoyed by only a few individuals. Where a group joins together in a spirit of gratitude and admiration for their alma mater, dedicating their gift to one cause, they can affect the history of that institution greatly.

The oral histories illustrate the strength and skills the University of California has given to its sons and daughters, and the diversity of ways that they have passed those gifts on to the wider community. We envision a lengthening list of University-inspired community leaders whose accounts, preserved in this University of California, Source of Community Leaders Series, will serve to guide students and scholars in the decades to come.

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Peterson, Rudolph A., class of '25, A Career in International Banking with the Bank of America, 1936-1970, and the United Nations Development Program, 1971-1975, 1994.

Stripp, Fred S., Jr., class of '32, University Debate Coach, Berkeley Civic Leader, and Pastor, 1990.

Trefethen, Eugene E., class of '30, Kaiser Industries, Trefethen Vineyards, the University of California, and Mills College, 1926-1994, 1997.

INTRODUCTION by Cornell C. Maier and James A. Vohs

In 1926, Eugene E. Trefethen, Jr., was introduced by Edgar F. Kaiser, his close friend and classmate at the University of California, Berkeley, to his father, Henry J. Kaiser. It was a signal event in Gene Trefethen's life, as it began for him an inextricable linkage to the Kaiser family and the Kaiser companies. Henry Kaiser had immediately seen in the young Trefethen the qualities that would propel him into the upper levels of corporate leadership.

Following his graduation from UC Berkeley, and at Henry Kaiser's urging, Gene attended the Harvard Graduate School of Business. But then, Henry decided that one year at the business school should be enough and he convinced Gene to leave Harvard and begin his lifelong working career with the Kaiser companies. After taking on a series of challenging managerial assignments, Gene soon became Henry's right hand. It was a synergistic combination, for Henry was the dreamer, the innovator, and the creator; and Gene was the financial genius, the doer, the sound, practical manager who got things done. Together, Henry, Gene, and Edgar Kaiser with a small band of talented executives built roads, bridges, tunnels, dams, ships, planes, automobiles, hotels, and houses. They established national and international companies in the basic industries of cement, steel, aluminum, and electronics. They co-founded Kaiser Permanente, which became the largest nongovernmental health care delivery system in the world. In the process, Henry Kaiser became a national legend as a brash, bold entrepreneur, while Gene Trefethen served as an inspirational leader who demonstrated overwhelming confidence and support in the men and women who worked for him but who remained quietly and happily in Henry's shadow. Yet his role in the great successes of the Kaiser enterprises can never be overstated.

Today, however, the Trefethen name is widely recognized among wine connoisseurs and wine lovers as the producer of some of the very finest wines from the Napa Valley, world-class in every sense. The Trefethen vineyards constitute one of the largest contiguous acreages in the valley, yielding grapes that are sought after by the valley's premier winemakers.

But Gene Trefethen is more than an extraordinarily successful corporate leader and winemaker. There are many more dimensions to the man. He is an eternal optimist. One aspect of his indomitable personality is his conviction that there are no issues or problems that can't be solved and, furthermore, he is personally prepared to address them. To the vast gallery of individuals who know him or whose lives he has touched, he is a man of uncommon goodwill and is the embodiment of attributes that are universally admired and respected: honesty, integrity, commitment, and compassion. He is also a man of intense loyalty--loyalty to his family,

his friends, his colleagues at Kaiser, the Kaiser family, his university, and his community. He feels a remarkable sense of responsibility and accountability to society at large. In that vein, his fundraising skills and activities are legendary. He is recognized as the number-one fundraiser for cultural and educational institutions in the Bay Area. He now devotes his life to raising funds for the arts (San Francisco Museum of Modern Art), education (Mills College, UC Berkeley, and UC San Francisco), and political causes and leaders he believes in. His loyalty, support, and fundraising efforts on behalf of the University of California were recognized in 1989, when the university awarded him the prestigious Berkeley Medal, never before presented to an alumnus and normally reserved for heads of state.

Finally, any depiction of Gene Trefethen cannot be complete without reference to his love and dedication to his family. His wife, Catherine, whom he met in Oakland in 1933 and married four years later, has been his partner and his devoted supporter. She is what makes his life complete. And, she is a talented woman in her own right. Her love and knowledge of gardening has brightened and enhanced their homes. But it is their two children, John and Carla (with their respective spouses), who have given additional fulfillment to Gene and Catherine's lives. Their delight and pride in their children is also extended to their four grandchildren.

The oral history of Gene Trefethen that follows provides an insight into a special human being: a family man, an accomplished business leader, a responsible citizen, a philanthropist, and statesman; he has achieved much and given much, and he stands as an inspiration and role model to countless admirers.

Cornell C. Maier, Chairman-CEO (Retired),
Kaiser Aluminum and Chemical Corporation
James A. Vohs, Chairman Emeritus, Kaiser
Foundation Health Plan, Inc.

January 1996

INTERVIEW HISTORY--Eugene E. Trefethen

When Eugene Trefethen quietly departed from this world on January 31, 1996, he left behind a legacy of deeds to corporate and civic leaders, the University of California, the Bay Area community, his family. But fortunately, the words, the stories of the circumstances surrounding what he did and why he did it, are not lost. In 1994, the Regional Oral History Office (ROHO), a division of The Bancroft Library at the University of California, Berkeley, undertook a taped memoir with Mr. Trefethen at the suggestion of the University's Class of 1931. This class sponsors interviews with persons related to the University who have made outstanding contributions to the community. Titled "The University of California, Source of Community Leaders," the endowment provides start-up funds for such oral histories.

At first invitation, Mr. Trefethen was reluctant to participate in the oral history process. He had previously recorded his reflections on the Kaiser Permanente Medical Program, he was still very much involved in business and civic endeavors, and he was modest about his many contributions. However, this interviewer was at the same time completing a memoir with Rudolph Peterson, retired CEO of BankAmerica Corporation, and because "Rudy" and "Gene" were lifelong friends from University of California days and business activities, Mr. Peterson encouraged and helped convince his friend to say "Yes."

All but one of our seven interview sessions in January, February, March, and April 1994, took place at the Oakland office Eugene Trefethen shared with James Vohs and Cornell Maier, also retired Kaiser executives. At the meeting held at his Napa Valley home adjacent to the Trefethen Vineyards, I was treated to a tour of the winery and the legendary Kaiser exhibit (housed in a reconverted barn) which includes the famous "Henry J" sedan. Dressed more casually in Napa, Mr. Trefethen escorted me to his spacious office overlooking the vineyard. He obviously had his finger on the pulse of the entire grapegrowing and winemaking operation. And loved it. "What do I do? I'm the chairman of the board, I guess. I spend Mondays up there with my son, John. And otherwise, why, it's over the phone or whatever is necessary..."

Before beginning, I sent Mr. Trefethen (also known as "Mr. T" at Kaiser) a detailed outline for his suggestions, and consulted the collected papers of Henry J. Kaiser and Eugene Trefethen in The Bancroft Library. In addition, Lynne Burke-Kalcic, Mr. T's administrative assistant extraordinaire, made available his office files. (These have been transferred to the Napa Valley office.) Other sources were Mark Foster's *Henry J. Kaiser. Builder in the Modern American West* (Austin, Texas: Univ. of Texas Press, 1989), Albert Heiner's *Henry J. Kaiser. Western Colossus*.

An Insider's View (San Francisco, CA: Halo Books, 1991), and a 1971 Kaiser-produced booklet, entitled "Kaiser Facts."

Both in Oakland and in Napa, Mr. T sat comfortably in his office chair and spoke with ease. There was warmth and admiration as he recalled his parents and siblings; his wife and children; Henry J. and Edgar Kaiser and his Kaiser colleagues from 1926 to 1979. He had the executive's ability to switch easily from one subject to another, whether it be an iron ore deposit in Australia or the Fleetwings plant in Pennsylvania. He could even field phone calls about the winery or fund-raising projects and then get back on track. He clearly had loved his work and the excitement of Henry Kaiser's entrepreneurial ventures. It pained him that after the liquidation of Kaiser Industries in 1976, Kaiser Steel had not done well. "...I'm concerned about the fact that Kaiser Steel failed. It had Kaiser's name on it. I never liked that. I still don't."

In addition to Eugene Trefethen's Kaiser years, this interview covers briefly the origins (1968) and growth of Trefethen Vineyards. He approached this new enterprise with characteristic enthusiasm, and credited his son John for the vision to pursue winemaking as well as grapegrowing. With similar fondness, Mr. T complimented his dear wife Catherine and suggested we record some of her Vance-Morgan family history. A joint--and very lively--interview with Catherine Morgan Trefethen and her sister Barbara Morgan Eisele is included in this volume. The sisters talk about their lumber family background, their upbringing in California, and the experience of being "Kaiser wives."

The recorded interviews were transcribed and edited lightly at ROHO, and sent to Mr. Trefethen for approval in May 1994. Mr. T reviewed the transcript and made minor changes before his untimely death. Lynne Burke-Kalcic also reviewed the transcript, verifying dates and the spelling of names. We made the necessary corrections and indexed the volume at ROHO; photos and appendices were added.

Eugene Trefethen's work involving the Kaiser Permanente Medical Care Program is covered in a 1985 interview Malca Chall of ROHO conducted as part of a series documenting the history of the health plan. Researchers will find that volume in The Bancroft Library and other research libraries --Eugene E. Trefethen, Jr., "History of the Kaiser Permanente Medical Care Program." For further information on Trefethen Vineyards, an interview with John and Janet Trefethen is in process (1997).

Thanks go to the Class of 1931, the Haas School of Business, the Clausen Family Foundation, and Cornell Maier for funding this project. This interviewer would like to also thank A. W. Clausen, Rudolph Peterson, and Helen Higgins at BankAmerica Corporation, and Lynne Burke-Kalcic for their advice and encouragement. In addition, we are grateful to Cornell Maier and James Vohs for the splendid introduction to this volume. Their tribute to Eugene Trefethen highlights his integrity, his generosity, his

keen business sense, his loyalty to the people and institutions he dearly loved.

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

Germaine LaBerge
Editor/Interviewer

September 16, 1997
Regional Oral History Office
The Bancroft Library
University of California, Berkeley

Regional Oral History Office
Room 486 The Bancroft Library

University of California
Berkeley, California 94720

BIOGRAPHICAL INFORMATION

(Please write clearly. Use black ink.)

Your full name EUGENE EDGAR TREFETHEN

Date of birth 7-27-09 Birthplace OAKLAND, CALIFORNIA

Father's full name EUGENE EDGAR TREFETHEN

Occupation ATTORNEY Birthplace OAKLAND, CALIFORNIA

Mother's full name GEORGIA CARROLL TREFETHEN

Occupation _____ Birthplace SACRAMENTO, CALIFORNIA

Your spouse CATHERINE MORGAN TREFETHEN

Occupation _____ Birthplace PIEDMONT, CALIFORNIA

Your children JOHN VANCE TREFETHEN

CARLA JEAN TREFETHEN SAUNDERS

Where did you grow up? OAKLAND

Present community NAPA

Education A.B. POLITICAL SCIENCE, UNIVERSITY OF CALIFORNIA, BERKELEY, 193
ONE YEAR AT HARVARD SCHOOL OF BUSINESS ADMINISTRATION

Occupation(s) RETIRED BUSINESS EXECUTIVE

Areas of expertise SEE

ATTACHED

Other interests or activities _____

BIO

SHEET

Organizations in which you are active _____

EUGENE E. TREFETHEN, JR.

Biography

Eugene E. Trefethen, Jr. is the proprietor of Trefethen Vineyards, Napa, California. He is also retired president of Kaiser Industries Corporation and an honorary director of Kaiser Aluminum & Chemical Corporation, Kaiser Cement Corporation, Kaiser Foundation Health Plan, Inc. and Kaiser Foundation Hospitals.

Mr. Trefethen's civic activities include:

Trustee, Past President, University of California Berkeley Foundation
Trustee, University of California San Francisco Foundation
Vice President and Chairman of the Executive Committee, Hastings College of the Law, Law Center Foundation
Past Board Member, University of California Santa Cruz Foundation
Member and Past Chairman of the Advisory Board, University of California Business School
Lifetime Trustee and Past President of Board of Trustees, Mills College
Lifetime Member and Past Chairman of Board of Trustees, San Francisco Museum of Modern Art

He has also served in various capacities with:

Oakland Symphony Orchestra Association
Stern Grove Festival Association
United Negro College Fund
Boy Scouts of America

Awards:

Jefferson Award for high ideals and achievement in public service,
San Francisco Bay Area recipient, March 1981
Legal Assistance to the Elderly, for distinguished leadership, March 1981
University of California Alumni Association, Alumnus of the Year, 1980
University of California College of Engineering, Honorary Alumnus, 1976
University of Southern California School of Business Administration,
annual award for outstanding achievement in business management, 1968.

Mr. Trefethen was born in Oakland on July 27, 1909. He received an A.B. degree in political science from the University of California in 1930 and attended Harvard School of Business Administration. He holds honorary doctorate degrees from the University of Portland, Mills College and Golden Gate University.

Mr. Trefethen married Catherine Morgan in 1937. They have a married son, John Vance Trefethen; a married daughter, Mrs. Carla Jean Saunders; and three grandchildren. The Trefethens reside in San Francisco.

I CHILDHOOD, EDUCATION AND FAMILY BACKGROUND

[Interview 1: January 26, 1994]##¹

Parents and Siblings

LaBerge: Well, why don't we start from the beginning of where and when you were born.

Trefethen: I was born in Oakland, California, on July 27, 1909. My father was Eugene E. Trefethen. My mother was Georgia Carroll Trefethen. I was the third member of a family of four children. My two sisters, both of whom are living, were born two to three years before I was. Subsequently, Van Sickle Trefethen was born and he died a few years ago. However, my sisters are still alive.

LaBerge: What are your sisters' names?

Trefethen: Dorothy Dodds and my other sister, my older sister, is Carol Augusta Trefethen, and she did never marry.

LaBerge: Well, how lucky. There are three of you.

Trefethen: Three of us still alive. I'm eighty-five this year. My youngest sister, Dorothy, is eighty-seven; and my oldest sister, Carol, is eighty-eight.

LaBerge: Well, you had told me about your sisters and your brother. So, I assume you grew up in Oakland and went to Oakland schools.

¹This symbol (##) indicates that a tape or a segment of a tape has begun or ended. A guide to the tapes follows the transcript.

Trefethen: I did. I went to the Lakeview Grammar School in Oakland and University High School in Oakland. Afterwards, I went to the University of California at Berkeley. My father was a lawyer, a very successful lawyer in Oakland. The partnership was Chapman and Trefethen. One of his main clients was the Key System, the transit system in existence in those days. He was a sportsman and a very fine father. He believed in his kids. We thrived on his encouragement and inspiration.

My mother was devoted to her family, almost to the exclusion of other things. She died rather early in life, at age fifty-one. But this was after the family had grown and sort of matured.

LaBerge: How old were you?

Trefethen: About twenty years old. My life in Oakland was fun. We had a good neighborhood.

LaBerge: Where did you live?

Trefethen: We lived on Jayne Avenue between Lee and Perkins in the home that we were in all during the time that we were in Oakland. We belonged to the Episcopal church, St. Paul's. I wasn't a very avid attendee. At one point I convinced my father that if I stayed home on Sunday and cut the lawn I wouldn't have to go to Sunday school, so my association with the church was rather limited. But I believe in and have a great faith in God.

My father was a very enlightened person who believed that religion was an essential part of a full life. He was a man of great integrity and taught me a lot of fundamentals that have continued on with me during my lifetime.

LaBerge: Did you go to work with him as a youngster?

Trefethen: As a youngster, I greatly benefitted by the close association with my father. He was an expert fisherman. For many years our family camped out at Emerald Bay in Lake Tahoe. My father and I enjoyed two types of fishing in that area: trolling in the lower lake and fly fishing in the streams and upper lakes. The couple of weeks spent together never seemed long enough.

LaBerge: And was this your whole family or just you and your dad?

Trefethen: Just my dad and me. I was the right age and being a boy, why, it worked well. We had a very compatible situation. I learned a lot about life from my father. Being a lawyer, he gave me a

solid foundation in some of the principles that are important--which are even more important today, particularly when we see the lack of that kind of training in our society and the need for parental guidance, which certainly I did get.

LaBerge: Can you give me an example, maybe a decision you were trying to make, and he helped you with?

Trefethen: He was a man who believed that honesty was the only policy that he would tolerate. He preached that and it certainly rubbed off. It was something that has stayed with me all of my life. My mother, who was also very highly principled, came from a very fine family in Sacramento, the Carroll family. She was very, very kind to all the children. We loved her and considered her to be more than just a mother. She was a friend.

LaBerge: Were either of them or both of them involved in Oakland community activities?

Trefethen: My father was. He was the president of the Oakland Athletic Club in the old days. And that group was an influence in the community--members included the Knowland family, for instance, who as the owners and publishers of the [Oakland] Tribune were a strong factor in the development of this area.

LaBerge: Any things about Oakland that you can remember as a boy? I mean, something like the Knowlands and the Tribune or I don't know what was going on during World War I. Or any special memories.

Trefethen: I remember the birth of Lake Merritt. Lake Merritt became a possibility as a result of my father's partner, Mr. Chapman. During the time that he was mayor of Oakland, Mr. Chapman and others worked out a program to finance and make possible the development of Lake Merritt.

I also remember, in those days, athletics was a very important part of my father's life. He used to take me to the track meets at the University of California. He also was a fan of boxing. He would go every Wednesday night to the auditorium to see the boxing matches. He had to be in the first, second or third row. He believed in the young people and believed in athletics as being a very good sound training for any young man and any young woman, for that matter.

LaBerge: So, did that rub off on you? Did you play sports?

Trefethen: Yes. I've always been interested in sports. I have not been particularly good at it. My father participated in the track team at [University of California at] Berkeley for a number of years. He was very good at it. I don't know whether he had any records or anything like that but he was a credit to the university and their athletic program.

I was competitive in athletics and liked sports, but I wasn't one of the stars. Whereas my brother, Van, on the other hand, was more of an athlete than I. He earned a broad jump record in his freshman year at UC Berkeley for some period of time, I believe. He also played football when he was going to high school.

University of California, 1926-1930

LaBerge: Well, how about the influence for education in your house? I understand that all four of you went to college. And at that time, that was sort of unusual.

Trefethen: My father was a graduate of the University of California at Berkeley. Being a professional man, he believed in education. The atmosphere around the house was one of learning, and having the desire to learn. As a result, I did well in grammar and high school. I liked to study and to learn. I attended the University of California at Berkeley, as my father did. It was a great institution then--and it is that today.

LaBerge: What did you major in?

Trefethen: I majored in political science, of all things. That was just a sort of a liberal arts background.

LaBerge: Any particular teachers you remember, either high school or college?

Trefethen: I can't remember all their names offhand, but I think my impression was that UC Berkeley was just loaded with multi-talented people. [Ira B.] Cross was the economics professor, I believe, and he was a powerhouse. Other names escape me at the moment.

Chi Psi House Manager and President

Trefethen: I became a member of the Chi Psi fraternity. That was good experience for me because out of that I developed some business exposure. I became a manager of the house and then its president. I developed wonderful contacts there and got a good deal of wonderful insight that has been helpful to me and my postgraduate work.

LaBerge: Did you live at the fraternity house or at home?

Trefethen: No, I lived at home. But I spent a lot of time at the house. And I spent many, many nights there. But I still resided at 291 Jayne, my home.

LaBerge: Did you have any job experience during high school or college?

Trefethen: Yes, I used to work for the post office at Christmas time. I remember delivering mail. Also, I worked out at Castro Valley on a ranch for two summers. Another summer I worked down in southern California on a ranch, the Pauba Ranch.

LaBerge: Doing what?

Trefethen: Hard labor. It was hard work. I saw another side of life that otherwise I wouldn't have seen. I think of my Berkeley days, I think of a great experience that has helped me all through my business life. Not just in learning, but in obtaining a clearer understanding of the basic things: the English language, the appreciation of the arts and athletics, and the significance of sports and how it builds character. The feeling of the legal background which I got as a result of being around my father and being involved with some people at Berkeley who were involved in the legal profession.

I think that's a very strong teaching that will stay with me all through my life. I picked up, certainly at Berkeley, the basics of economics which was so terribly important in my career. But more important were the relationships that you build with people of different backgrounds.

LaBerge: Is this mainly through your fraternity work?

Trefethen: Yes, mainly through my fraternity.

LaBerge: Were you involved in other extra-curricular activities on campus?

Meeting Edgar and Henry Kaiser

Trefethen: I didn't get involved in anything other than that. I was pledged to the Chi Psi fraternity at UC Berkeley and in my pledge group was Edgar Fosburgh Kaiser, son of Henry J. Kaiser, and soon to be a lifelong friend and business associate. I met Henry J. Kaiser at a breakfast for pledges and their fathers. After that every vacation, Saturday and Sunday, I worked for the Kaiser organization. My relationship with him grew and grew and grew.

Edgar and I were associated in the business until Edgar died in 1981. Afterwards, I continued on. But Henry Kaiser's influence on me was a paramount factor in my whole life.

I might say at this point that Henry Kaiser was a great teacher. He loved young people and he believed in us. He'd give us tremendous responsibilities. He believed that young people should be thrown into the pool and they'd have to swim. He gave us very comprehensive, heavy responsibilities. That, of course, was his way of training people and it was very effective.

LaBerge: He must have picked out those certain people he knew could make it, don't you think?

Trefethen: Yes, he did do that. And luckily, for me, I was included. I became a part of practically everything that he did in his career. I was his executive assistant for a while, then was given the responsibility for all of Henry's activities, corporations and subsidiaries. As a result, I had to build an organization; this was my job. Henry was a great inspiration and young people were attracted to him and attracted to me because of Henry Kaiser and his inspirational leadership.

Community Involvement

Trefethen: The other thing that comes to mind about Henry Kaiser is that he really was a man who believed in the community. Community was terribly important in his life. So all of us in key positions in the Kaiser organization got involved in community affairs. We discovered a great deal of joy in helping the community in which we lived. That has gone on through the years and we became noted for being very good community-minded

leaders and giving back to the community more than what it gave to us.

LaBerge: Well, I read the introduction you wrote for Robert Shetterly's oral history.¹ And you spoke about him in that way, but I think the words could have been about yourself and Kaiser and how you became involved in the development of Oakland.

Trefethen: Oh, I think that's right. Bob Shetterly was a case in point. Clorox was a very good partner in our combined community efforts. Bob Shetterly was a leader of Clorox. He worked personally. He believed in his people working personally in the interest of the community, not only with their effort but also with their funds.

LaBerge: Did you have some of that inspiration from home also to give of yourself a little extra?

Trefethen: Oh, I think I got that from my father. He was a very intelligent man and a very compassionate man. He believed that the community was something that needed the attention of its top people. It was deserving of that top attention. So that became part of my life. Since I retired, I'm still working in the interest of the community. You meet some wonderful people and it's fun. It's a change from the day to day responsibilities of running a business. It's a good combination. A good balance is necessary to have a full life.

LaBerge: Well, going back to the university, how did you decide to go on to business school?

Harvard Business School, 1930-1931 ##

Trefethen: My father had always planned that he would like me to go to Harvard Law School, which is a leading law school in the nation. I always felt that that was a very fine thing to contemplate. But as I worked with Henry Kaiser, I became more interested in the business aspects. I finally said to my

¹See Robert B. Shetterly, "East Bay Experiences in Corporate Social Responsibility," an oral history conducted in 1990 by Gabrielle Morris, Regional Oral History Office, The Bancroft Library, University of California, Berkeley, 1991.

father one day, "Would you mind if I went to the Harvard Business School instead of the Harvard Law School?"

LaBerge: Now, had your dad gone to Harvard?

Trefethen: No, he went to Berkeley. He got his legal training there. He gave me an astonishing look as if to say, my goodness, how could it be that his son would want to go into business rather than to continue in the practice in which he had been very successful? Well, I assured him that I'd thought about it a lot and that I was very grateful for him for wanting to send me to law school, but would it be possible for him to send me to the business school instead. And he said, "Well, if that's what your decision is, that's okay with me." And so, he did put me through the Harvard Business School.

LaBerge: Now, was he also encouraging your brother to go to law school?

Trefethen: No. My brother was interested in markets and he became a broker in San Francisco and did very well. My father never did, I guess, contemplate that Van might be interested in taking up law. It was the right decision for me because I got a lot out of the Harvard Business School. I was very enthusiastic about my experiences there.

Summer at Deer Lodge, Montana, 1931

Trefethen: At the end of the first year, I came through Deer Lodge, Montana, on my way home to meet Edgar Kaiser, who at that time was the manager of a pipeline that was being built by Henry Kaiser and the Bechtel organization. I visited with him for a few days and then returned to Oakland. Shortly after I arrived, Henry Kaiser called me on the telephone and said, "Gene, what are you doing?" I said, "Well, I'm going to take a vacation." And Henry Kaiser didn't know how to spell vacation, let alone pronounce it. He said, "Well, why don't you go to work up on the pipeline back at Deer Lodge?" And I said, "Well, I hadn't thought of that."

"Well, why don't you go up there and instead of being on a vacation, you can spend your time helping us out." So, I went back to Deer Lodge, Montana, and never did get back to the Harvard Business School for my second year--because we all of a sudden were the low bidders on the building of Boulder Dam. I

went from Deer Lodge, Montana, to Boulder Dam. And that was a long ways from Harvard.

LaBerge: You must have enjoyed the work.

Trefethen: Very much so. I enjoyed the work. And of course, I'd been previously involved with the business in a nominal way through my work with Kaiser during vacations. But, up there it was stimulating and very fast moving. It was exciting. We were young. Nothing was impossible. We did very well on the pipeline and then went on to Boulder Dam.

That, too, was a challenge that ended when Henry Kaiser said, "Gene, I want you to come to Oakland." And I went to Oakland to become his executive assistant. And from that point on, wherever he went, I went. And whatever he did, I was there with him. He ended up by giving me major responsibilities that developed from business and life. He was a very productive man. So, that's why I didn't ever get back to Harvard.

Benefits of Graduate Work

Trefethen: The first year at Harvard was very important to me. I really can't say that I missed the second year because I was so deeply involved at Kaiser from my first day. I picked up knowledge that I would probably have picked up at Harvard. But by doing it this way, it seemed to work because I didn't find myself lacking in the basic things that I needed to know in order to be in a position to direct industrial enterprises, direct Kaiser enterprises.

However, the things that I got from my basic training in the first year were very invaluable. To this day, I, of course, am a great believer in a graduate education for most business people. As a matter of fact, I think it's very important for people who are in our government service. So much of our government service involves good business practices and techniques, whether it be finance, organization or whatever.

LaBerge: Did you find the East a lot different from the West?

Trefethen: My first trip East was to Harvard--the first time I'd ever been out of the state of California. I have always felt that Boston, of all places, was stuffy. I made up my mind I wasn't

going to like the people back there. But I ended up becoming very fond of them. They were very hospitable, very kind and very stimulating. They had much to offer. It just wasn't that we were the upstarts from the West who knew it all. I learned to be very tolerant of the people that were far more mature. They had more accomplishments in their experiences. And this was very good for me because it broadened me.

Meeting Katie Morgan During Bay Bridge Building, 1933

LaBerge: I'm not sure when you met Mrs. Trefethen. Did you meet her some time in this time period?

Trefethen: No, I met Mrs. Trefethen on April 1, 1933.

LaBerge: Oh, I'm impressed.

Trefethen: When I forget that, why, Mrs. Trefethen reminds me. She remembers.

LaBerge: That's very good, then.

Trefethen: My sister, Carol, was the person who introduced us. She introduced Mrs. Trefethen to me in my home. As a matter of fact, it was interesting. It was a time that we were awarded the foundation contract on the San Francisco/Oakland Bay Bridge, which was a huge contract. It set us on a very busy path of two things. Number one was building part of the substructure of the San Francisco/Oakland Bay Bridge. But we also set up a concrete delivery system to deliver concrete to the bridge contractor. Wet mix concrete on barges to the foundations of the bridges. We did this with both bridges.

They were both very successful operations; although I must say, the one that we thought we knew the most about, mainly the delivery of concrete, became a very scary experience. I really thought, for the first time in my young life, we were going to go broke. And Henry Kaiser, who was an optimist, really thought so too. The reason was that we had faulty design for these barges. We didn't allow enough clearances. We were just getting breakdowns and all kinds of troubles. I remember I was out on that Bay in the barge many, many a night, all night long, until we finally found a resolution and corrected the deficiencies. It became a very successful operation.

Our major concern was that we were delivering this concrete to our partners. We had partners on the Bay Bridge foundation structures. It would have been horrible if we'd failed in being able to deliver that concrete. We would not only have hurt ourselves, we would have hurt our partners.

LaBerge: Who were your partners?

Trefethen: The Bechtels were involved in it, Warren Brothers, Pacific Bridge, McDonald and Kahn, Morrison-Knudsen and General Construction Company. Some of these people were with us in the Six Companies Group which built the Boulder Dam. We developed a very fine relationship. It was successful. They were all strong and independent but able to work together to their mutual advantage.

LaBerge: Now we started on this because this was the same time you met Mrs. Trefethen. So, could we go back to that for a minute?

Trefethen: She and I set up a relationship and--

LaBerge: I mean, was she just there for dinner or something like that?

Trefethen: I think so. I think that was it. And my sister was a campmate of hers up at Camp Augusta, which is near Grass Valley. I became very attached to my wife, Catherine. Everybody called her Katie. But she'd rather be called Catherine. These were very busy days for me. She says that I took too long to woo her, and to marry her. I courted her for four years and finally we did get married. It's been a wonderful relationship all through these years.

She was particularly capable of adapting her life to my very hectic business schedule. I traveled extensively. Katie was busy bringing up our kids and did a thorough job of it. Our children, Carla and John, are great. I can't take too much credit for their upbringing but Katie says I underestimate my influence on them. This has been a priceless relationship. Katie is a very talented, very strong woman. She is a loving mother, a devoted wife, and my best friend. There can't be any better, anywhere.

LaBerge: That's a wonderful tribute.

Trefethen: Her family name was Morgan, which is Welsh. And Trefethen is a Cornish name. And she has a sister by the name of Barbara, who

now is Barbara Eisele.¹ Barbara and her husband Milt are graduates of Berkeley, incidently. They have a very fine relationship. They have three children: Glennie, Francie, and Dougie. The two girls are identical twins. And to this day, unless they've got different clothes on, I can't tell them apart. It's amazing.

Katie's been a great asset in my life and my business life as well. We did a considerable amount of entertaining over the period of years and she was always the heart of that. Our organization became very, very close. The top people were very, very close. We socialized a lot with one another whenever we could. And we all got along very, very well together. The team that resulted was a very strong team. And the women in the team were very important because of the tempo that we kept. We really were at it and kept at it strong and hard. This was not too easy for the wives. But we didn't have any casualties. All the marriages remained intact, all of them. This was good; this was a fine, an unusual thing to happen.

Children: Carla and John

LaBerge: And just for the record, you have two children?

Trefethen: My daughter was the older. Her name is Carla Saunders. Christopher is her husband. They have two children, Xavora and Colin. Xavora is twenty-five and is going to be married this year. And Colin is at Berkeley, is a junior at Berkeley.

My son's name is John and his wife is Janet, Janet Spooner. Janet is the daughter of a rice farmer from Williams. John met her in Napa when she was working for the Farm Bureau. They married, and brought the Trefethen family into the wine business. Thanks to them, it is a successful operation.

They have two youngsters, a son, Loren, and a daughter, Hailey. They said they were too busy to have kids right away. For ten years they didn't have any children. And now they've got two. One's ten and one's six. With their busy schedules, I am amazed that they have a very close, very active relationship with the youngsters. It's marvelous. My son John

¹See interview with Catherine Trefethen and Barbara Eisele at p. 148.

actually spends a day a week teaching at the schools. This is an example of how parents can get involved with education, with their children. It is a great, great asset to the development of young people. They're taking the time and taking the interest to develop their children properly. They find it to be very fulfilling.

LaBerge: We still have some time. Anything else you want to add on your family? Your daughter, I believe, is an artist.

Trefethen: Yes, she graduated from Mills College with a master of fine arts degree. And she has had a number of--they call them solo shows; your own showing. She's got a real, a very fine talent. She does some beautiful work. And it's a hobby and interest of hers. She also is a swimmer. She is an ocean swimmer. She lives in La Jolla. She swims in the ocean every day. Some of her paintings have had to do with the marine world that she sees in that atmosphere. And also with the scenery. It's very interesting that as her life changes, so her paintings change. But that's what she does. And her husband is in the real estate business.

And Carla named her child Xavora. Xavora is the oldest daughter that's twenty-five, being married this year. She lives in Denver and went to the University of Denver. She met this young man from Scotland the first year she was there. They're going to be married now after four years. She's going to move to London which is sort of sad for some people, namely the family. But that promises to be a very fine relationship. We know the young man and his family and they're very fine people. We find that we're both very happy with our children's selections.

World War I and the Depression

LaBerge: Well, in the time we have left, could you tell me something about growing up in the Depression or going through that while you were in college, what effect that had.

Trefethen: I graduated in 1930. I was conscious of what was going on but it never really did affect me, personally. Because we were in the construction business we were very, very busy at the time. We never felt the Depression. Our businesses were booming; as a result, it didn't affect our lives at all, at least directly it didn't.

LaBerge: What about, like, other world events. Do you remember World War I?

Trefethen: Oh, yes.

LaBerge: And did you have a victory garden? Did you do things as a child to--?

Trefethen: Well, we lived up on Jayne Avenue in Oakland. Yes, we did have a victory garden.

LaBerge: You were probably eight or nine.

Trefethen: I get it mixed up with World War II a lot. Now, World War II, I remember quite clearly. World War I--. So, where was I? I was in grammar school.

LaBerge: Well, if you were born in 1909 and it started in 1917--

Trefethen: Yes, in 1917.

LaBerge: You were only eight, I guess.

Trefethen: Well, I don't remember very many things about that.

LaBerge: That may be too young. Well, do you want to end there for today and then start with your beginnings at Kaiser the next time?

Trefethen: All right. I'll do some thinking about that.

II EARLY WORK FOR HENRY J. KAISER

[Interview 2: February 10, 1994]##

Administration in Montana and at Boulder Dam

LaBerge: Well, the last time we stopped with your deciding not to go back to Harvard because Mr. Kaiser recruited you for, I think, work in Montana. Is that right?

Trefethen: That's it. It was a pipeline that we were building with the Bechtel organization. And we headquartered in Deer Lodge, Montana. Edgar Kaiser was up there, in charge of running this job for the partnership of Kaiser and Bechtel. So I went up there to work with him until that pipeline job was finished. And that meant my second year in Harvard was never to be.

LaBerge: What kind of things were you doing? You didn't have an engineering background, did you?

Trefethen: No, I was involved in administration. But Henry and I worked very closely together on the whole project. It was a great experience for me, because it was my first time in a construction project of that type out in the field. There were a lot of different problems. We had problems with right of way, involving people. This right of way was, of course, essential to the pipeline because you had to go through all kinds of properties in order to go from here to there. We had labor problems. We had problems with the owner that we were building this pipeline for. And it gave me a very good beginning to a broader experience which was to come.

When we finished that pipeline Edgar Kaiser and I went down to Boulder Dam and we stayed for a couple of years, I guess. I was drafted by Henry Kaiser to be his administrative assistant and moved to Oakland. Henry Kaiser, by that time,

had his home in Oakland. Based at our headquarters, I became involved in almost everything that Henry Kaiser did.

Tom Price and Australian Iron Ore

LaBerge: What were you doing at Boulder Dam, also administrative--?

Trefethen: Yes, I was involved with Tom Price. Tom Price was the man in charge of the sand and gravel operation. The operation being the mining of the gravel and preparing it for use in the concrete. By the time I left, it was a steady operation. Tom Price was moved on to something else. He was one of Mr. Kaiser's oldest employees, a wonderful man.

LaBerge: Now, was he later involved in Kaiser Steel? Is that right?

Trefethen: Tom Price was involved in Kaiser Steel during the construction period, not the operations.

LaBerge: I guess I read about him going to Australia and--

Trefethen: Yes, he did go to Australia in the early days when we were taking a look at an iron ore deposit there that was acquired by what ultimately turned out to be our Australian partner, Consolidated Zinc of Australia. They call themselves CRA. Tom went over to evaluate this deposit that CRA had and he came away very enthusiastic about it. This led to a partnership between us to develop the Hammersley Iron Ore Range. It was a highly successful project, a fabulously high quality ore, high percentage of iron and was, of course, the basis for our developing a very successful, rather huge iron ore operation, with deliveries primarily to the Japanese.

Tom was a sort of a pioneer. He was a man of vision that was able to take a look at a mine and evaluate it almost instantly. He had a nose for a good mine. Do you want to know something more about that operation or do you want to go back?

LaBerge: While we're on it, why not?

Trefethen: The chairman of the British company had the largest interest in the Australian company, which, as I said, was called CRA. The name of that holding company was RTZ, Rio Tinto Zinc, based in London, headed by Sir Val Duncan. Sir Val Duncan and I put together the original financing for the project which was a hundred and twenty or thirty million dollars and negotiated the

contracts with the Japanese, which were long-term contracts and which were really the basis for the financing.

LaBerge: You mean the Japanese supplied the money?

Trefethen: No, the contract itself to take the ore was the basis for our financing for which I personally did take on the responsibility. Through a series of banks, we raised the funds necessary to build the project and to get it started. It was self-funding as a result of the contracts that proved to be very successful and profitable. The result was a complete repayment of the loans and on time. Today Hammersley continues to be a very effective mining operation and will be so for many years to come.

LaBerge: It's totally separate from Kaiser, now. Is that true?

Trefethen: Yes, we had an interest in that project. I believe we had a 50 percent interest in it. We subsequently sold it to CRA, the Australian subsidiary of RTZ. This was after it was all operational and it was rather simple to determine what the value of our interest was. They were able to manage it. Our long-term program from the beginning was to get them trained to manage the project, which we did. And they have successfully managed the project since they took it over.

Bauxite and Kaiser Aluminum

LaBerge: Now, one of the things I would like to find out from you is in your early days, how you learned to do those kinds of things later. Did you learn those kinds of skills from Henry Kaiser? Did you learn it just from being sort of thrown into the fire and--? Because you were doing so many different things, personnel, financing.

Trefethen: Well, the Australian ventures, which were all very successful--. One Hammersley project was a subsidiary project of Kaiser Steel Corporation. Comalco, that's the bauxite aluminum business, was an offshoot of Kaiser Aluminum and Chemical Corporation. And both of those projects, I've sort of looked after, but looked after them after they were financed and in operation through the Kaiser Steel Organization and through the Kaiser Aluminum Organization. Although I was on the boards, I was not responsible for the direct operation of those ventures. They turned out to be the responsibility of

Jack Ashby, who was the head of Kaiser Steel, and Tom Ready, who was the head of Kaiser Aluminum in those days.

But the focus in those operations was the development of the world's largest bauxite deposit in Australia which was in Queensland. It was a simple, low-cost mining operation. As a result, we were able to put together a very solid alumina project that was participated in by the British, the French, the Canadians, the Australians, and ourselves. We all had an interest in a huge alumina plant that we built in Gladstone, which is from the Brisbane area. And we hauled the bauxite down to Gladstone and there converted it to alumina.

LaBerge: I take it there's a difference between aluminum and alumina.

Trefethen: Alumina is a product from which you make aluminum. And this project was a lot of fun to finance, that alumina operation, because we had to negotiate that with the British, the French, the Canadians, the Australians, and ourselves. It was a lot of fun. It was a learning experience in itself because each one of these people had a point of view and to get them all into a common goal as to how these things should be financed was very interesting and took a little time but was highly successful.

And Comalco, which was the Australian company that we used for operations, operated the alumina plant. They, in turn, took alumina from that plant to a smelter, which we owned jointly with the Australians and in the name of Comalco. There we built a reduction plant to reduce the alumina to aluminum. And we did that in New Zealand. And that, too, was a very successful operation. Then Comalco set up some fabricating plants in Australia for use in converting the aluminum to a fabricated product. It was saleable to industry in Australia.

We had an export market as well. And part of the aluminum production of the plant went directly to the Japanese who used it in their fabrication plants, whether they were making sheet or extrusions or whatever. Some of which, of course, ultimately ended up in their automobiles and other products that they made and shipped out all throughout the world.

We had quite a little competition in Australia. Alcoa was in there in a major way and so was Reynolds. Why were they there? Because that's where the bauxite was coming from. We also had some low-cost power in Australia that was necessary in order to make the reduction of an alumina to aluminum economically feasible.

And so the natural resources were there and the talents were there, people. We had the technical know-how as to how to do these things in aluminum and also in mining because of our expertise in that, in iron ore, and also in bauxite and in aluminum and fabrication of products and so forth and so on. This was another source of alumina for us. We shipped our alumina back to the United States, to our reduction plants and converted that alumina into aluminum. And that aluminum went to our fabricating plants in the United States for processing into the product that we ultimately sold to the market.

LaBerge: Where else in the world are bauxite deposits?

Trefethen: Well, our big deposits had been in Jamaica. Alcoa has projects there. So does Reynolds and so does Alcan. Why? Because again, Jamaican bauxite is very low-cost, and a good point for distribution. We took, for instance, our alumina from that plant, and went to our New Orleans reduction plant at Chalmette in Louisiana. And we also sent that alumina to Africa where we built a huge smelter of Valco, which is in Ghana.

So, this is a network that was based upon the location of the raw materials and the availability of power. And all is related to where the markets were. Our Jamaican deposits of bauxite made alumina that came to our plants in the southern part of the United States. And the alumina from Australia came to the Northwest, where we have two aluminum plants, reduction plants in the Spokane area.

Organization of the Separate Kaiser Companies

Trefethen: I might get into at this point how we really did organize; how we were organized to carry out these various projects. We had many, many of them and they were being built more or less at the same time. We had separate operating companies. Kaiser Steel was one. Kaiser Aluminum was one. Kaiser Cement was one. Kaiser Engineers was one. Kaiser Aerospace was another one.

These corporations had separate boards of directors, had separate ownerships because they all became publicly held. And we had a chief executive officer who was, in turn, responsible to me. I was the executive vice-president and then president of Kaiser Industries which was a company that had the controlling interest in each one of these operating subsidiaries.

So, those people, Jack Ashby for steel, Tom Ready for aluminum, Wally Marsh for cement, George Havas for engineers, were all responsible to me. Of course, I was responsible to Henry Kaiser. These companies had to organize to do their job and obtain their financing. They were responsible to their shareholders and to their boards. The boards were independent of one another. I was on all the boards. We did this in order to make it easier to function and be more efficient. Everyone knew what their responsibilities were and they carried them out.

LaBerge: This reorganization took place in the fifties, is that right?

Trefethen: No, this just grew over a period of time. As ventures were created, we set up corporations and we organized them to function separately with separate boards and separate chief executive officers and financial people and so forth. My function was to work with those people and help them and lead them towards a common goal.

Finding High Quality Executives

LaBerge: How did you spot good executives? What did you look for?

Trefethen: Henry Kaiser believed in youth so it was easy for me to put some young people in charge. Jack Ashby I knew for many, many years. Dusty [Donald] Rhoades ran our cement company and then the aluminum company in the early days. Dusty Rhoades was a fraternity brother of Edgar Kaiser's and mine. He was the head of the fraternity when Edgar Kaiser and I were initiated back in 1926. He subsequently went to work for us and ended up as the head man of Kaiser Cement and Kaiser Aluminum after that.

We got to know one another very well. We worked closely with one another. We were all interested in working. We had a lot of fun with our work. We were fortunate in having wives that understood what we were doing and became a part of it; and they, too, had fun with it, even though at times it interfered with family and all that. But we worked that all out because everybody really was having fun doing what they were doing.

How did we pick people out? Part of the industrial relations department function was to develop people. And we needed new people, young people for all these things that we were developing. And the result of all that was we had people concentrating on just that, developing people. That's still,

of course, very important in business today; terribly important that you not only just rely upon having to find somebody but you develop your people so as you can build from within.

LaBerge: Well, Mr. Kaiser obviously did that with you.

Trefethen: Oh, yes. But that wasn't organized. He just got attached to me or I got attached to him and it became very easy. Edgar has developed the same way. Edgar was involved in different things than I was. Edgar was involved in the construction business. Then he went from the construction business to the automobile business. He concentrated on those two and I concentrated on the other. We worked together on boards and all that. We fortunately had a relationship which worked over the period of the years. And we didn't ever end up at odds which is sort of unusual because we ended up being pretty strong people in what we believe and what we wanted to do. We worked together very, very well and so whatever major decisions needed to be made, the three of us, Henry Kaiser, Edgar Kaiser, and myself made them.

Youth and Taking Risks

LaBerge: Were you in on decision making early on, you know, when you were fresh out of college and say at Hoover Dam or Boulder Dam?

Trefethen: Well, only to the extent that I participated in it. Gradually over a period of time, I took on a responsibility. But you know, I was a youngster. I remember one time Henry Kaiser was going to put Edgar Kaiser in charge of building the Bonneville Dam along with Clay Bedford who was a little older than Edgar and me. And some of the partners said, "My God, Henry, I didn't think you were going to put your children in charge of that project." Edgar was in his thirties or something like that.

Henry believed in young people and he gave us a lot of training, a lot of responsibility. But it worked. And it certainly is a way to develop people. If you get good people with good stuff, why, the thing to do is load them up with responsibility and see how they perform. They'll make some mistakes and expect them. But the end result will turn out to be good because with youth there is room to take risks. That's important in life--to be able to have the confidence to take a risk. And you have to be accountable for it. Sure, you'll make some mistakes but on the other hand, you'll learn to make real progress. Risk-taking is sometimes very important.

LaBerge: Can you give me an example of maybe a risk you took or a mistake you made and how you had to deal with it or Henry Kaiser dealt with it?

Trefethen: Well, we started out taking risks before I was in the business; contracting business is very risky. So, we were in an atmosphere of risk-taking. That was the very nature of the business. People thought that the contracting business was probably one of the most risky businesses. But it is because the unknown is what you're gambling on. If you've got a very good plan, and the plans for the project are clear, you should be all right unless you run into a foundation problem or something like that where you have to make a change. And usually, that's for the account of the owner, if there's a change that wasn't foreseeable but sometimes it's the contractor's fault. He's taken that responsibility.

Building Ships, 1940

Trefethen: We went into the shipbuilding business in 1940 because the British--we weren't in the war, of course, at that time. The war was going on. And the British came to us and through Todd Shipbuilding Company and wanted to order, find a way to have thirty ships built over there, thirty ships. That wasn't very many ships, but anyway they took a risk that we could do it. And we'd never built any ships before. But we were builders and we knew how to handle labor and we had our history of resourcefulness because a contractor's got to be a pretty resourceful guy, particularly, you know, if he's building a Boulder Dam or a Bonneville Dam or a [Grand] Coulee Dam. Or building a pipeline where he's digging trenches through all kinds of soil conditions and rock conditions. So, they took a risk with us and we took a risk that we could do it. Of course, we'd built a lot of things--

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LaBerge: Okay, you were just talking about taking the risk with building ships.

Trefethen: Well, building ships was something different than contracting, but you're building the same thing over and over again. And so as a result of all of our experiences before, we were always figuring out how to do this thing cheaper. And the fact that we were going to be building more than one was a big advantage

because then we could learn, why, we would improve our operation and reduce our costs. And we did just that.

We took on this contract with Todd Shipbuilding. Todd Shipbuilding was a name in the shipbuilding business. They had a lot of knowhow in shipbuilding. But we were running the operation and they were a shareholder in the business. We subsequently bought them out as we went on.

We built a total of seven shipyards during the war. And we ended up building 1500 ships of various sorts. Some Victory ships, these were cargo ships, as well as tankers and carriers. We built air carriers, fifty air carriers, small carriers. We were burning up Japan at the time that we dropped the bomb. And they were small but it was a new design from the keel all the way up.

Henry Goes Directly to Roosevelt

Trefethen: We had a design by a naval architect in New York. This program was sold to the president of the United States, [Franklin D.] Roosevelt in those days. I remember Henry Kaiser tried it out on all the admirals and he couldn't get anywhere so he finally decided he had better go see the president. And so the president saw him. Henry Kaiser had a picture, a rendering of the ship. It was a little sexy-looking thing, too. It was really cool looking. And it turned out to be a winner. We had fifty of those things over there, dropping incendiary bombs on everything that was handy over in the Pacific. Not a one was ever sunk, although many, many of our cargo ships were sunk.

But the president said, "Henry, what's the problem today?" And Henry said, "Well, you know, I'm just curious. I've been trying to get an order for at least fifty ships which I really think you need in order to win this war." And he had this picture. "What you got there, Henry? Let me see it." So Henry showed him his picture and he says, "Okay, Henry. Don't be discouraged just because you've been turned down by ten admirals. Don't be discouraged." And so "Thanks," he said to Henry. Henry went back to the hotel, Shoreham Hotel, in those days in Washington. And as he came in the door, why, there was one of the admirals on the line and said, "Henry, come right down here. I want to see you." Well, one of the admirals that had turned us down said, "I want to give you an order for fifty, that's fifty carriers."

So, it turned out to be a very successful venture. And fortunately, that happened because Roosevelt was a guy who was willing to take a risk. And he had confidence in Henry Kaiser because of what we'd accomplished so far in shipbuilding. This is after we built many, many ships for him. So, the President knew we could build ships. Building a different design didn't make any difference. So, that worked out to be very successful. But when you're in an atmosphere of risk-taking, you've got to have good judgment along with it. You don't want to be a damn fool or you'll get caught and you'll get hurt and you'll go broke.

Bridge Builders

Trefethen: In all my history with Kaiser, the only time I ever thought we might go broke was on the Bay Bridge. We had the contract along with seven or eight other companies to build a substructure of the Bay Bridge. And it was called Bridge Builders and that was the--

LaBerge: That was the group of companies working on it?

Trefethen: Yes. The contract was a fixed price contract. And, of course, we were to excavate for the caissons for the piers and then pour the piers. Separate from that, we took on the contract to deliver the concrete to our partners and us on the bridge. I remember I was out there many, many nights, all night long. And the design that we put together for the barges that we hauled out there was faulty. We had a batching plant on shore that goaded up each batch, only, I think there were a hundred batches on these barges. They each contained everything that was necessary in order to make concrete. We mixed the concrete, then the cranes picked up the concrete and put it into the piers. Well, we didn't have enough clearances down there. We had a terrible time.

So, I thought, my goodness, we really are in deep trouble. Henry Kaiser was out there one night with me and he said, "Gene," he says, "do you suppose we're going to go broke on this?" And I just said, "No, we can't. We can't. We can't." Well, he said, "The worst part about this, Gene, is the fact that if we fail, it's going to hurt my partners." And I said, "I know that. I know that." So, we worked the problem out and we didn't go broke.

LaBerge: How did you work it out?

Trefethen: Oh, adjusting. The engineers that designed the barges originally saw all the problems and worked out the clearances. It was difficult to do. It was a very compact area. But we worked it out. And actually we made money on the project. So, everybody turned out okay. But when you take a risk, you can go broke if you guess wrong or bet wrong. Anyway, we said we knew all about concrete, aggregates, mixing plants and batching plants and this would be easy. But it turned out not to be so easy.

The Shasta Dam

Trefethen: Well, on that score, another one that you will be interested in is the Shasta Dam. We, as contractors, bid on the Shasta Dam and were not the successful bidder. But then, we took on the chore of processing the gravel beds into gravel and delivering the gravel to the dam site for this contractor who wasn't a partner but he was a very good contractor. In order to get involved in this, as I said, we're delivering the aggregates to the dam site.

We couldn't work out a contract with the Southern Pacific that we thought was reasonable. So, we decided to build a ten-mile conveyor. We conveyed the material from the deposits after it was processed on the belt up to the dam site. Southern Pacific, of course, never felt we would do that. But we had to do it. We had designed the gravel plant. Of course, we knew all about gravel plants, so we wouldn't have any problem with that. But we were really worried about that conveyor. Well, we put more thought into that conveyor. We had no problems with that conveyor. We had all kinds of problems with the gravel plant. So, we had to fix that, which we did.

These are all very interesting things because they're all a part of the risk that is involved in decision making. And it's the same today as yesterday. Business people who take risks are usually called entrepreneurs. But that's the nature of the game. You lose money, you make money. But you've got to have very good judgment and be backed by experienced people that know what they're doing before you jump off the bridge, you know. And so, we were very successful in that. That doesn't mean we haven't lost money on jobs we've had from time to time. But we always wanted to be sure that we understood why we lost money so we wouldn't make that mistake again.

George Havas and A.B. Ordway

Trefethen: We had a very good engineering department that was headed by George Havas. George Havas was Hungarian. Mr. Kaiser met him when he was paving down in Cuba. And he hired him down there and then took him here back to the states. Henry Kaiser said that George was the only one--the only genius he had in his organization was George Havas. And he was a wonderful little guy. You know, he'd work all night. You'd see him in the morning, say "Good morning," and he'd say, "What's good about it? I've been up all night."

But we did have good, very good people. Very good people. Very loyal people and honest people and hard workers. And everybody got along well together. You know, we didn't have any internal bouts or anything like that. Henry Kaiser was a wonderful guy to work with because he was imaginative and he was visionary and he was enthusiastic and it was fun to be around him. He only had one guy who was, what he'd call him, "the only one doubting Thomas I have is Ordway." [A.B.] Ordway was his first employee, a wonderful guy, Ord--the Ordway Building is named after him. But he was always negative and Henry Kaiser always liked to have him around. He always used to kid him about it but he'd encourage him to say, "Tell me what's wrong before I do it." [laughter] "Tell me what's wrong before I do it."

A.P. Giannini and the Bank of America

Trefethen: The other one that Henry Kaiser used to have a lot of fun with was a fellow at the Bank of America by the name of--what was his name? A. Sbarbaro. Rudy [Peterson] will know him. And this is in the Giannini days, the A.P. Giannini days. And Sbarbaro was the loan officer that handled us. Henry Kaiser would say to A.P., "You know Sbarbaro, he's a good man. But you know, he's got ice water in his veins. You know, I've got to tell you this, A.P., if I brought him a solid block of gold, Sbarbaro wouldn't accept it unless he got it first assayed, you know."

A.P. was a wonderful guy. He and Henry got along so very well together. The reason they did is that they were very much alike. And they were big men, you know, and they had blustery voices. And they liked one another and they had confidence in one another and as a result of that, why, Bank of America still

have us as their customer. We've been through a lot with them and, of course, A.P. was succeeded by Mario Giannini. And Mario Giannini took us all through the days when we were having trouble in the automobile business at Kaiser-Frazer. Edgar Kaiser and I have, well, there have been many, many times we've been over to see Mario because we had a crisis on hand, or something like that that was going on. You know, we'd go down to Palm Springs to see him down there. Mario had a place down there.

They had confidence and although we had problems, they did nothing but make money off of us. They never lost any money out of a dollar. And so that's the result of two organizations headed by two tremendous people gaining confidence in one another and working together to accomplish the project that's at hand. A.P. was, oh, he was just a wonderful guy. And so much was confidence in those days, you know.

But today, I see, when people are working with you on a particular loan, they're looking up this ratio and that ratio, checking this and checking that. And they turn you down, whereas a man that had confidence in you wouldn't do that. So, that's what you have to do when you're financing these days. You've got to be sure that you've got somebody who understands you and believes in you, so you don't get turned down by somebody who wasn't as convinced or maybe we didn't convince him properly. But the banking industry is such that confidence is still a factor. But a lot of things have been done purely on confidence. And probably, maybe there's less of it today than there used to be. I'm not sure about that. But I know for sure that Bank of America had a lot of confidence in us and we in them and as a result, we did very, very well together.

LaBerge: That extended into Hawaii, I think, didn't it?

Trefethen: Pardon?

LaBerge: Didn't that extend to some of the Hawaiian ventures, too?

Trefethen: Oh, yes. We used Bank of America. Of course, we got to a point where they weren't big enough to handle us. So, Mario Giannini's the one that introduced us to the Mellon Bank.

LaBerge: Oh, okay. I remember reading something about A.P. suggesting that Henry Kaiser needed to get some kind of clout on Wall Street, that he couldn't just depend on the rest.

Trefethen: Well, this is Mario.

LaBerge: Oh, it was Mario, okay.

Trefethen: We met George Woods who's our chief financial advisor. He was the head of First Boston in New York. And he sized us up. We first met him through a writer whose name is Paul deKruif. Paul was the one who wrote The Cure for a Common Cold. He also wrote for Reader's Digest. But he was sort of a maverick. Woods was, too. Woods was trying to finance a few ventures. He'd finance Ringling Brothers and Barnum and Bailey. So, he picked us up and together, why, we raised two and a half billion dollars or something like that, which was an awful lot of money in those days. I mean for all these different things, the hospitals and the automobile business, my goodness, which was a real risky business and why did they do that? Well, I don't know.

Kaiser-Frazer

Trefethen: They introduced us to Joe Frazer. Joe Frazer was a partner in the automobile business. It was called Kaiser-Frazer. Then we found out Frazer was, I better be careful here, he was--it was essential we have a partner in name and he didn't really do very much.

But Edgar went back to Detroit and ran that thing. And we really, well, we made some mistakes. The biggest mistake we made in the automobile business was not raising more money than we did, although we thought at the time we were getting all the money we could possibly need. But we should have raised more money at the time, which we could have done. And we should have used that money to build our own outlets in the major cities, our own dealerships. Because although in those days we were able to get dealers, as soon as the "big boys" got wound up again after the war, they stole our dealers, one right after another. And so we weren't able to sustain our sales against the competition. And had we had our own dealers, we think we would have been able to weather the storm of competition when everybody who was preoccupied during the war with something else really got cranked up in the business and the shortages were filled up. It got to a point where it was a very competitive business and that's the reason why we decided to pull out of it.

We decided to pull out of it because we could see that we weren't going to make it. We didn't want to go into bankruptcy so we decided, Edgar Kaiser decided this, that what we ought to

do is buy Willys-Overland. So we went back to Toledo, Ohio, and we worked with the owners of Willys-Overland and we ended up buying Willys-Overland. And then we used Willys-Overland in a way that permitted us to liquidate Kaiser-Frazer without anybody losing any money.

We phased out of the passenger car business, as we built up the Jeep business. And we took the Jeep business and we came out with a Wagoneer. Edgar's the guy that really pounded out that design. That Wagoneer design, of course, is the basic design now that you see with the Explorer and the Suzukis and the--all of them have got it--Chevrolet, all of them have got a four-wheel drive or a two-wheel drive or four-wheel drive van, they call them. And that all has originated as a result of our Wagoneer. And the Wagoneer now, of course was sold. Ultimately we sold the Jeep business to American Motors. Then they sold it to Chrysler. Chrysler now has a Wagoneer and the cheaper model is called the Cherokee. It's a big, big hunk of Chrysler's success, the fact that they built that thing up at a time when they were struggling in their passenger car business.

So, anyway, that was one of those things that was a lot of fun to do and then we did the Henry J. We designed that. And that was a car that was ahead of its time because it was too small. Everybody was buying big cars. Now, everybody's buying little cars. You know, I've got one of those Henry J's up in my barn [in Napa].

LaBerge: Oh, you showed it to me when I was up there.

Cars Lead to Aluminum

Trefethen: Yes. We built that in 1952. And that was a timing problem on that. That was probably a judgment call. We shouldn't have tried to do that because the public was not ready for it. Interestingly enough, when everybody wants to know why we failed at Kaiser-Frazer, I say, "Well, it was interesting." We wouldn't have gone into the aluminum business had we not been in the automobile business. Why was that? We couldn't get steel after the war. You know, it was all ration, ration. And we didn't have any buying history so we didn't get any steel. So, we decided that we ought to, and we owned a plant back in Bristol, Pennsylvania, called Fleetwings. Sherlock Hackley was running that. He was one of our young people.

LaBerge: What was his name?

Trefethen: Sherlock Hackley. And Sherlock, one day, got a call from Henry Kaiser. He was making, he was building airplane wings. And he knew something about aluminum. "Sherk," he says, "we're having trouble getting steel. Can you make a--" what did he want, "--car door out of aluminum?" Oh, yes. Sherk is a fellow who could do anything. So he built aluminum doors. And they turned out to be very successful. Well, then why can't we put aluminum someplace else in the car?

Well, anyway, so then Sherk reported to Henry Kaiser. He said, "Mr. Kaiser, I'm having trouble getting aluminum. You can't buy it. You can't buy it." Henry Kaiser said, "What?" So Henry Kaiser, with that, went to Chad Calhoun in Washington and said, "Now there are some aluminum plants that I understand are for sale. Find out about them, Chad." So he ended up buying an alumina plant, an aluminum plant, and a rolling mill. And we went into the aluminum business which turned out to be a very, very successful business. We would never have done that had it not been for the fact that we couldn't get steel for the automobile business.

LaBerge: I think that the public perception is that the car business failed, except you didn't fail financially and you ended up selling it.

Trefethen: Another thing we did when we had lost money in the automobile business. We were making all of these other profits someplace else. We got ahold of our attorney in Washington. You know Lloyd Cutler? You've heard the name Lloyd Cutler around. Cox was a fellow, he was a senior. Oscar Cox was a senior. We wanted to get a hold of somebody who could find the law that would permit us to write off these losses against our profits and that got done.

LaBerge: What was it? Was it a federal law?

Trefethen: Oh, yes. I can tell you that we didn't lose any money out of the automobile business. We made money off it. But anyway, some stockholders lost some money out of the automobile business but not very many of them. They didn't lose very much. But no supplier lost anything, you know. And it was a huge business in the United States.

LaBerge: Now, why did you have people in Washington? Just so that you had someone to represent you with the government?

Chad Calhoun in Washington, D.C.

Trefethen: We had problems during the war. We had to build up an organization during the war because we had problems with the RFC [Reconstruction Finance Corporation]. We had problems with the work production of the WPA [Works Progress Administration]. We had problems with the Maritime Commission. All these customers were back there and we had an office. Chad Calhoun's the guy that ran it. And he was a dreamer, too. He and Henry, when they got together, they could dream up almost anything. So, he was the guy that went and picked up all these aluminum plants that we'd bought. It was a time when nobody wanted them. You know, they were white elephants.

And, gosh I remember, incidentally, we had all these aluminum plants. We didn't have any bauxite. So we ran scrambling around to try to find Dusty. Dusty Rhoades put together the bauxite things for us; he did a wonderful job and we got a port down there named after him called Port Rhoades. He was a basketball player at Berkeley. He was the head of the fraternity when Edgar and I were initiated. I remember him because he was tougher than hell and he paddled the dickens out of both of us on a number of different occasions. He ended up working for us. Wonderful guy. I used to play basketball with Dusty. One thing about Dusty--he would always trail his foot a little bit in case you were going by. You'd just trip right over it. And I said, "Dusty, that's a foul." And he looked at me just as if nothing happened and just couldn't understand it. Where was I?

LaBerge: Well, I had asked you why you had somebody in Washington?

Trefethen: Oh, yes. Also during the war we had expeditors all over the country to get stuff on time, to see that it was being built. We had people all over the country hiring people. We used to hire people for shipyards. The question was only one thing: were they warm, you know? I think 500,000 people went through our shipyards during those times, during the war. That's why one of the things we got so heavily involved in was health, that we had to keep these people well.

So we had Chad Calhoun back there. He was a very effective guy. He had the confidence of people back there and confidence of us. And sometimes our operating people thought he was impossible because he was making all these insertions that were just absolutely ridiculous. But it worked well. We had some checks and balances, in other words. But that's why we were represented in Washington. He was our man and he was a damn good man.

LaBerge: Well, for instance, when you were looking for a law so that you could write up your losses and everything--

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LaBerge: Okay, Mr. Calhoun went to another law firm?

Trefethen: No. Calhoun went to Oscar Cox or Lloyd Cutler. And they said the person that you want to get ahold of in order to get the job done is, whatever his name was. I can't remember. And so we did get the law changed so that it's been something that made sense for a lot of people and it still is in existence today, where you can write off losses against profits. Consolidate. You can move forward. You can move backward. There's a lot of flexibility there. That's how that thing originated. So again, when we got all through with the automobile business, it was a great experience. We're disappointed that we didn't have the money to last through it. Because with more money we would have done it.

Liquidating the Automobile Business

Trefethen: See, what we did when all these people came back into the market, the GMs [General Motors] and the Fords and the Chryslers, we took the tooling from Willow Run and we invested it down in South America. We invested it in Brazil. We invested it in the Argentine. And we developed two very successful long-term operations, automobile operations, there that were run by our people and subsequently sold. One of them, the Brazilian company, was sold to Ford, is running today very successfully. The Argentine company was sold to a French company--

LaBerge: Renault?

Trefethen: Renault. And both of them were very successful then, very successful today. They made their Jeeps. They made a passenger car, each one of them made a passenger car. And again, they're very successful today as they were in the days when we were down there. So, again sometimes when you take a risk, why you get yourself in trouble and you've got to dig yourself out.

LaBerge: Well, you were heavily involved in that, weren't you? In digging yourselves out of the trouble.

Trefethen: Oh, yes. I remember when we were in trouble down at Toledo, and back in Willow Run [Michigan]. I went back and I lived on the second floor of the Willow Run plant, you know, as we were transferring, as we were liquidating out and building up, taking over the Toledo thing. I lived back in Toledo at the Plaza Hotel. Not Plaza. What was the name of it? Nice little hotel in Toledo and I lived there six months--oh, dear--while we were doing all these things. But again, we had a lot of fun and we got the job done.

LaBerge: You know, I'm from Detroit so I know what it's like to live there. [laughter]

Trefethen: Well, you know, near Ann Arbor is the wonderful Ypsilanti.

LaBerge: Oh, Ann Arbor and Ypsilanti are fine.

Trefethen: Ypsilanti is okay. But we'd go down and we'd hear about Back Bay,¹ you know, in those days. Back Bay, where all the elite people lived, or something like that. But they're just human like anybody else, you know. And we were an upstart. We were really an upstart back there. We didn't know what the hell we were doing and all that, but we did all right. We accomplished a lot of things which we would have preferred to have been successful in, the long term--but we just didn't have enough money to hang in there.

It's a tough business, you know, a really tough business for even the strongest. But we didn't make it and a lot of people say, well that's your failure. Well, in a way it was, but we think we've got a lot of gains out of it, a lot of pluses out of it that are still working very successfully today. And we learned a lot about the advertising business in those days because we had a product we had to advertise.

Television

Trefethen: We learned something about television. And we went into the television business and built a very, very successful television operation and ended up selling it to Marshall Fields. We ended up with seven stations. And they were all very successful. And we started them from scratch. Starting up costs became losses that we offset against some other

¹This probably refers to Grosse Pointe and Bloomfield Hills. --ed.

profits. And then, by the time we sold them, the stations were making very good money. We were also losing money on them. And we wrote that off and so it was an interesting way to get into the business. But it sort of worked.

LaBerge: Where were the stations?

Trefethen: San Francisco, Los Angeles, Denver, we had one back in Boston. How many is that?

LaBerge: That's four. That was called Kaiser Broadcasting, was it?

Trefethen: Yes, Kaiser Broadcasting. There's a station 44 here. It's KBHJ. That's Kaiser Broadcasting Henry J. [laughter]

LaBerge: Oh, I see. Oh, okay.

Trefethen: And we had a fellow running that, a really wonderful guy. And George Woods, my friend and associate, he just said, "Gene, that guy is murder here. You've just got to get rid of him. He just doesn't know what the hell he's doing. He's trying to make success out of a high frequency television. And it never will work. I've talked to my friend at CBS [Columbia Broadcasting System], who's the head of CBS all those years." Well, George was just wrong and so was the CBS guy. [laughter] Because we were very, very successful, you know. We built up the audience and they sold it for a hell of a lot of money. If we held them longer, it would be worth a trillion today. [laughter]

So all those things that, you see they're all sort of intertwined. Because of this, we did that. And because of the automobile problems, we went down to South America and we bought the Jeep business. We accomplished an awful lot there as a result of all those things, although you couldn't forecast that it would happen that way.

South American Ventures

LaBerge: Were you involved in the South America dealings? Like, did you go down there and negotiate some of that?

Trefethen: Well, we put Jim McCloud down there, Jim McCloud in the Argentine. And we put Max Pierce in Brazil. Max Pierce used to be our pilot in Detroit, or Willow Run. We had a plane, you know. You'd have to go all over the place trying to get parts

and so forth and so on. And we put him in charge of the stamping plant. And he was very successful at that. And we had to--at a stamping plant we couldn't get stampings for a car because everybody was favoring the "big boys" and so forth.

Then we took him and we put him down in Brazil and he ran that operation all through a very highly inflationary period. And I, to this day, don't know how he did it. He always made money. He kept his prices ahead of his cost increases. And these cost increases were an unbelievable rate. It's like what's going on in Russia [in 1994], you know. But he was able to do that and he did it very, very well.

But anyway, Henry Kaiser negotiated the first deal. That was for the Argentine with--

LaBerge: With [President Juan] Peron?

Trefethen: Well, Peron was, yes, he was his friend. There's a kick about Peron, you know. Peron liked Henry and Henry liked Peron. But Henry knew all the time that, look out, these guys are-- bribery down there is the order of the day. So, he said, "Well, we're not going to do it." He made it crystal clear. And he told Peron, "Look, we're coming down here, but we're not going to--we will not, under any circumstances, if we're going broke, we won't do it." But you know Peron tested him out before he finally accepted that. But he did accept it and the word went out: don't tap the Kaisers. Don't even ask them. And we never were asked. But that was a fun operation. And then the Brazilian thing, that was [President Getulio] Vargas, you know. I mean, he was quite a guy.

But Peron, I remember we made twelve little, well, I showed you those little cars, that little car up in there. Jolly. But you know, he was--he did all these horrible things but on the other hand he ran the country. And sometimes, a good dictator is better than a weak democrat.

I told you about Fleetwings. The war was over. We'd been building all these wings and stuffed parts for the aircraft industry, what we do now. So Sherk put us into the kitchen cabinet-bathtub business with Sears Roebuck. We made all the kitchen cabinets and bathtubs for them. Of course, we had stamping plants and all that stuff back then. And that worked. Through that relationship we got Ted Hauser, who was the head guy upstairs, and we got him on the board of Kaiser-Frazer. We tried out distributing cars through Kaiser--through Sears. That didn't work so well. We thought that would get around this problem we had, that we didn't have enough dealers, you

know. And that didn't work so well, for them or for us. But I don't know why. I guess it was too big a ticket item. But they could sell tires and that sort of stuff. But I guess they have trouble selling out of a case.

LaBerge: A full carton, yes. I don't want to stop you but I also don't want to keep you past when you need to go.

Trefethen: I think we better stop now.

III KAISER ALUMINUM AND TELEVISION STATIONS

[Interview 3: February 22, 1994]##

Magnesium During Wartime

LaBerge: Well, last time when we finished, we touched on lots of the projects and you talked a little bit about aluminum and the process of making it but not really how Henry Kaiser got into aluminum.

Trefethen: It's an interesting story which began during the war when we went into the magnesium business. We did that in two places. One was down at Permanente which is at our cement plant in Los Altos hills. And the other one was at Manteca, California. Each of them involved two different processes for making magnesium. And both were very successful.

The most interesting, however, was the one that we built at our cement plant in Palo Alto. Why there? Well, we had power there and it was a location where we had some management. And so we put in some electric furnaces down there and ended up with a process that made, out of magnesia, magnesium. And we did this developing an invention by a German or an Austrian. I can't remember just whether he was German or Austrian. His name was Dr. [J.F.] Hansgirg. And this was a very exciting process and it was--magnesium powder is very inflammatory and there was some danger elements involved in it which sort of increased the challenge of it all. But it turned out to be very successful for making aluminum.

But also, we ended up making a product that we called goop, which was an incendiary product that was used in bombs. It was used very extensively involving--in bombing, I should say, the Japanese, at all points during the war.

The other process was not so, it was a more standard process which we built on at Manteca. Manteca, California. And that was the defense corporation project. Then that was a very successful one. And at the end of the war, magnesium was not a product that we saw any real future in. But we did feel that the aluminum industry might be one that would be a natural development for us after our experience in magnesium which was a lighter weight metal, but there was less opportunity for growth.

LaBerge: What else was it used for besides bombs?

Trefethen: The goop, well, that's the only thing it was used for. But the process involved taking the magnesium dust and making it into magnesium ingot and that was a process that we were--we had developed it to the point that it was successful. But we were uncertain about the opportunities in the future.

Getting Into the Aluminum Business

Trefethen: How did we get into the aluminum business? We got into the aluminum business in an interesting way which goes back to our founder, Henry Kaiser. We had gone into the automobile business after the war and we were having difficulty buying steel because of the shortages, the postwar shortages, and the fact that we had no buying history in the business and as a result, old-time customers were given the material, steel, that was in very short supply.

This meant that we were having difficulty with our production of automobiles in Kaiser-Frazer. And so, one day, Henry Kaiser was talking to Sherk Hackley, a young man who was running our Kaiser Fleetwings company back in Bristol, Pennsylvania. And he at that time, he being Sherk Hackley, was building kitchen cabinets and also sinks and bathtubs for Sears Roebuck, which was--that was all after the war and after we had converted what was an aluminum fabricator, Fleetwings, which was building wings and airlots and some things like that. And Sherk was able to--he knew how to fabricate aluminum.

Mr. Kaiser said to him one day, "We're having trouble getting doors and getting steel for doors. And Sherk, is there some way you could build those doors out of aluminum?" And Sherk said, "Oh, yeah, I could do that." And Sherk was a guy that, like Henry, he didn't know the word can't. And he said, "Yes, I could do that. There's no problem with that, Mr.

Kaiser." So he made up some sample doors for our cars at Bristol, Pennsylvania. And they proved to be very successful. But then Sherk found out that it was very difficult for him to buy any aluminum. There was a big shortage of aluminum.

So, at that point, Mr. Kaiser got ahold of Chad Calhoun. And Chad Calhoun was our Washington man and had been for years, a very imaginative, aggressive, well-liked man in Washington, and said to Chad Calhoun, "What about our buying some of these aluminum plants that had been shut down after the war?" And so, of course Chad says, "Oh, yes." Yes, and we went to work on it. We ended up by buying three plants: one, the alumina plant in Baton Rouge [Louisiana]; the reduction plant in Mead [Washington], that's up around Spokane; and the rolling mill in Trentwood [Washington], which is around Spokane.

Bauxite Supply from Alcan/Alcoa

Trefethen: So with that, we went into the aluminum business. But before that, we had to get a raw materials supply. So, I remember Mr. Kaiser and I went back to see the chairman of Alcan and Alcoa. They were the same in those days. And that wonderful man, what was his name? I'll have to get that name for you. [Arthur Vining Davis] They, of course, had a monopoly in the business. And we went to see this man and asked him for a supply of bauxite for our alumina plant at Baton Rouge. He listened very intently and all of a sudden he jumped up out of his chair, and he's a little short man. And I thought he was going to throw us out of the office. But he says, "Mr. Kaiser, I will furnish you with bauxite." And with that, we ended, we thanked him very much and we started in the aluminum business with a supply of bauxite for our aluminum.

LaBerge: And was this from South America?

Trefethen: No, the bauxite came from Jamaica in those days.

LaBerge: Before you go on, wasn't there some controversy about buying those plants? I mean, it wasn't just an easy deal, was it?

Trefethen: Well, they were really white elephants in those days. There were some--we had quite a negotiation over it. But they ended up, the government ended up, well, they were in the War Assets Administration. And the government was anxious to dispose of the property. My only question was, were they disposing of those properties at fair value? We worked that out and never

had any controversy over that. But it was a negotiation that we had with the government.

LaBerge: Did you do a lot of that negotiation?

Dusty Rhoades

Trefethen: Yes, and with Chad. So then we had to get somebody to run this business, this new business. So, we got ahold of our Dusty Rhoades. Dusty Rhoades was a wonderful guy. He had a very successful business career with Kaiser, first at their gravel plants out in Livermore and Pleasanton. And then at our cement plant. We pulled him out of the cement plant and put him in charge of the aluminum business. The first thing he had to do was to go out and get some, to hire some people who knew something about how you make aluminum and process it and fabricate it. So Dusty went on a trip. I remember he came back and he had hired nineteen key people. He went on a trip around the United States. And he picked up these people and his choices turned out to be very, very good.

Second thing Dusty had to do was he had to get a company-owned bauxite deposit because we'd felt we should have our own bauxite deposit. Although, I think, Alcoa was taking care of us nicely, well, we just felt we should have our own. So we started to look and he ended up in Jamaica, finding some bauxite deposits down there, which we acquired. Then we built a bauxite processing plant there. And ended up with a port there for loading all the bauxite and hauling it to Baton Rouge, which we named Port Rhoades.

Dusty started out in great shape. He got the plants and he had to get his organization--they have to have raw materials. And over a period of years, he and we together built a very successful aluminum business because we added other plants after that, some of which were owned by the government and some of which we built ourselves. We ended up with a very strong aluminum company which is one of the leading aluminum companies in the business today, still under the name of Kaiser Aluminum.

Ghana, India, Australia

Trefethen: Another thing that's very interesting about the aluminum is that one of our expansion projects involved Ghana. Ghana was headed by [Kwame] Nkrumah, and he was a very controversial dictator-type of leader. We got interested in Ghana as a result of a relationship that we built up with the mayor of New Orleans. His name was [de Lesseps S.] Morrison. And he had a great--he had a number of connections down in South America. So, he introduced us to the thought of making a deal with the Ghana government to build a dam with a power supply and build a smelter down there for smelting the alumina into aluminum.

This worked out very well, very successfully, and it ended up as our lowest-cost aluminum reduction plant in our entire system. That was because of the fact that the plant was well designed. But we found a way to train the Ghanaians to be very effective workers. And this was something that was very instrumental in the development of the Ghana nation because the power supply was essential to the growth of the country itself, because the power went into a common grid that served the country of Ghana.

So that was a very interesting thing, but we also have other interesting things in aluminum that developed. We developed an Indian relationship with Mr. G.D. Birla who was one of the top industrialists of India. We ended up building a smelter over in India which was a very successful smelter. We furnished some aluminum to India but it also was an export item for India which was very important for them.

That relationship went on and for many, many years. And Mr. Birla was very close with Mr. [Mohandas K.] Ghandi. As a matter of fact, I think Mr. Ghandi was shot at in Mr. Birla's, one of his temples. He was a marvelous man. I remember he was a vegetarian. And he went into one of his houses, of which he had four or five. They were mansions. One of them was in Calcutta and one of them was in Bombay and one of them was in Delhi. And being a complete vegetarian, he wouldn't have any meat in his kitchen. No way. Just even the taste of it or the smell of it, why, he would not have that. Believe me, they had the most delicious vegetarian dishes that you can imagine. But he was a wonderful person, and an art collector and a do-gooder. He was one of those marvelous people that you meet in the international businesses that today are becoming more and more common and more and more accepted as what you must do in this world to compete globally.

LaBerge: I take it, both, well, in Ghana you trained the workers, the native workers. But the same thing in India, was it a totally Indian workforce?

Trefethen: Oh, yes. We had our compatriots over there when we started. We started with a nucleus of help, gradually got down to the point where we turned it all over to him, completely. Another international, very successful project in aluminum was in Australia. There we had as a partner Rio Tinto Zinc. That's a British company. A subsidiary of theirs was called CRA, which was Consolidated Rio of the Argent, of Australia. And there we developed an integrated aluminum business. They had a bauxite deposit up in Queensland. It was just unbelievable because it was so very, very extensive, very easy to mine, very little overburden. And this was something that resulted in a very low cost product delivered any place in the world. This we owned and we provided the management. We ended up with--we had 50 percent interest, they had 50 percent interest.

We then built an alumina plant to process the bauxite. We did that in Gladstone. That's down south from the bauxite deposit which was also on the water. And there we put together a consortium involving the Australians, the British, the French, the Canadians, and ourselves. We built the largest aluminum plant in the world, which was then doubled in size and this furnished the alumina, or some of the alumina requirements for Alcan, for a Canadian company, for [Pationet?], which is a French company, for us Kaiser, for the Australians, which was really half owned by us. And that, too, was a very, very successful enterprise.

As an offshoot to having alumina, we built a smelter. We built a smelter in Bluff, in New Zealand. We built that with the Australians and that became a very successful project as well. That ingot material that was made there was shipped, part of it to Australia, where we had fabricating, the Australians and ourselves and a company called Comalco. Comalco had fabricating plants for making extrusions and sheet and the various aluminum products for sale within the Australian markets. There was some export business developed in addition to that.

That connection with the Australians led to some very interesting relationships with the Japanese. And those interesting relationships involve the sale of aluminum to them. We ended up with a rolling mill outside of Tokyo which was the Kaiser Aluminum rolling mill and which also proved to be very

successful. I was thinking maybe we sold alumina but we did not.

So that was an offshoot of the Australian venture plus the fact that these same people were our partners in the iron ore business which was a Kaiser Steel subsidiary. These same people being Rio Tinto, the British firm, who had the control over CRA, which was the holding company that had various companies, sub-companies of it that were either in the aluminum field or in the iron ore field or steel field, but not in both.

LaBerge: Was their iron ore in Australia?

Trefethen: Yes, in western Australia. There is a deposit called Hammersley. Hammersley was discovered by the Rio Tinto people, which were world-renowned mining people. They discovered this iron ore deposit in western Australia and it was unbelievably large and rich. And we had our Tom Price.

LaBerge: Oh, I think we talked about that a little bit.

Trefethen: Yes, did we?

LaBerge: Because then they named a mountain after him?

Trefethen: Yes, this is Mountain Price. And he was a mountain. No, he was a tower of strength, a mountain of strength. There's no doubt about that. He had a nose for any kind of iron ore or bauxite or copper or anything that had value. He was just a marvelous personality. He had that great enthusiasm and optimism and vision that's rare in this world of ours. But when you have it, it's a great asset that should be developed and capitalized on. Well, we certainly did do that.

Original Vision

LaBerge: Well, getting back to aluminum. I mean, it was a great vision of Henry Kaiser's to foresee that aluminum was going to be so important. Isn't that right? I think I read that there were only a couple people who shared that, you and Chad Calhoun.

Trefethen: Well, yes. A lot of our people thought we were crazy because you see, the great growth in aluminum came after the war. And you have to have a vision and that's what Henry had, you know. Because there was capacity, lots of capacity. Because a lot of it had been built during the war. Most of these plants had

been built by Alcoa and they were white elephants and nobody expected to be able to do anything with them.

And this was something that, when we, Kaiser, started taking this thing on, they thought maybe we were a little bit out of our minds because there was so much capacity. Why would anybody do it? And in order to get these plants, why, Mr. Kaiser said, "I believe that we are going to use all this aluminum from these new plants for our own use. So we're not going to be worried about--you shouldn't be worried about our competing with all these other people that haven't evidenced interest," and so forth and so on.

So anyway, this turned out to be right because there was plenty of opportunity for everybody in the business for many, many years after that, even today. Same thing today.

Ravenswood, West Virginia

LaBerge: Well, the other thing I was interested in both when you built the plants in Ravenswood, West Virginia, not only how those negotiations went but how you really worked with the community. It sounds like you left the community better off than before.

Trefethen: Well, Ravenswood just brings back some wonderful memories we had. I had more fun back there. I had more fun during the time we were designing the plant and getting it started. This was in a distressed community. And we picked it because there was a labor supply there. And also, of course, there was a power supply there and that was what was controlling.

LaBerge: Because of the coal? Was that the power supply?

Trefethen: Was that a nuclear? No, that wasn't it. Because of coal, that's correct. Coal supply. And that was the source of power. But this was a wonderful little community and we had some wonderful people back there, building a plant. And as a part of building it, we had to carve a relationship with the community. You're welcome, usually, in a place like that. But you have to develop the relationship and it's sometimes very sensitive. And we had some very good people that became well liked and respected in the community and that was very important for us.

But the Ravenswood plant was--I've never been in an area like that before and it was interesting to see the people and

see how they lived and how they thought and how they worked. They were good people. And we never regretted putting the plant there. And it's been successful all during these years.

LaBerge: Didn't you help build schools and sort of improve the--?

Trefethen: Oh, yes, all those community things. They were very important in our overall building up our relationships. I think we had a Henry J. Kaiser School back there. And I think that there were some other things. But well, we were very much a community member. Interestingly, however, we did find the union that developed was very, very difficult to deal with. That was one of the disappointments and we had so much trouble with the union. And it was because of one or two people that were really the leaders and they were not the kind of people that we felt were constructive long range. It just wasn't a question of dollars. It was a question of, you know, the kind of a workforce that wants to be productive. These people, leaders, did not want to be productive. And the result was that we did have quite a few periods of difficult labor unrest back there.

LaBerge: What union was it?

Trefethen: I can't remember. It's probably the aluminum workers.

Personnel and Labor Relations

LaBerge: Oh, aluminum. I didn't realize that. Did you do a lot of the labor negotiations or did someone else do that?

Trefethen: No. No, only people who were in charge did that. In those days we had two men here that were marvelous. One of them was my best friend. His name was Todd Inch. He was in charge of policy overall, or industrial relations. And he had another one, another man who went out of Washington and his name was Harry Morton. Those two people really devoted their time to our personnel policies, whether those policies were for Kaiser Aluminum or Kaiser Steel or Kaiser Cement or Kaiser Engineers, whatever it was. So by having those people who thought the way we did, they worked with the people who had the immediate responsibility for a plan or an area or whatever it may be, to bring about a common policy in handling labor.

Henry Kaiser was always a person who believed in men, women, believed that they were good workers, believed that with proper leadership, you could get the best results from them,

did not fight unions. He felt that good leadership for the people was a good thing. But eventually, I mean, every now and then you run into a bad leader and you just have to handle that along with the good relationships that you had with the people, leaders that were more constructive. So, that is really how we organized to fan out the philosophy and the policies of Henry Kaiser, wherever we were, when it came to the question of handling labor.

LaBerge: Well, everything I've read says what a good relationship Kaiser had with all the labor unions and how labor really liked him, as opposed to other big companies like Big Steel.

Trefethen: Yes, he liked--

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LaBerge: --because labor was one of the things I had wanted to cover at some point anyway. Well, for instance, you must have had dealings with [President of United Automobile Workers] Walter Reuther when you were doing autos and--

Trefethen: Yes, over at steel we had, oh who was it? Murray, Murray. Remember [President of United Steelworkers of America Philip] Murray? We had a good relationship with him, a very good relationship with him. And at the steel plant, we had a rather liberal policy on handling labor which we were criticized for by many of our competitors. Mr. Kaiser was known as sort of a maverick when it came to handling labor but we believed in working with the unions toward a common goal and not fighting them. We had sharing programs which are common in many areas now. Our benefits were probably more generous, if you want to call it generous, or rewarding. We felt they were rewarding. And we wanted to reward our people for good performance.

And as a result, we did have good performance. But because it was new and liberal, we didn't receive a lot of criticism from various people that were involved in our industries. But we felt that those policies were right. And they proved to be right for us. But it caused the unions to try to do the same thing with our competition. And they [the competition] didn't want that. So that created the resistance and the criticism that came as a result of what we were doing versus what they didn't believe they wanted to do.

Walter Reuther was quite a guy, too. Well, he was a strong leader. There's no doubt about that. But, probably one of the strongest. But he had the automobile industry and of course we were little, little--we didn't amount to very much in

the automobile industry. But we didn't see anything that they were doing that, that the industry was doing that we felt was unconscionable or anything like that.

We really didn't have problems in our automobile venture back there. We didn't have any crises that involved Walter Reuther or UAW. Our relationships with him were cordial and constructive and I can't remember who the person was that we dealt with. There was a person in the United Auto Workers that we did deal with and I can't remember his name.

LaBerge: I've only read a little bit but there was one strike in the steel corporation. I don't know if you had other strikes that you had to deal with. But there was a 1959 strike.

Trefethen: In Fontana?

LaBerge: Yes.

Trefethen: Well, I think we avoided a strike which troubled the automobile industry because we were breaking the united front against the union. We possibly did have a strike against us but I can't recall what that was right now. I could refresh my memory on it if I get more information on it.

Jamaican Community and Bauxite

LaBerge: Okay. Well, 1959--I have to look it up, too, when we get to the steel part. Well, back to aluminum. We talked about Ravenswood and didn't you do something similar in Jamaica? I mean, you somehow helped redevelop the area where you were mining the bauxite and you had built new homes for the people.

Trefethen: We did a lot of things in Jamaica. We got involved in the school system. We got involved with community projects to better the areas where people were working in. We had a very close relationship with the prime minister, who was the head of Jamaica. And there were changes in the administration of the government. But we always got along well with them.

We had a young man down there working in the early days for Dusty Rhoades who was a welder that we sent down there to run this operation. And he turned out to be a marvelous manager. A little short fellow. Gosh, I can't remember his name right now but I'll look it up. But he just was, he was Mr. Jamaica. And everybody loved him. We were a part of the

community and we were partners in the venture. It was a huge thing, you know. It was a huge operation with a railroad running from the mines all the way down to the port. We didn't go and ravage the land. We redeveloped it so it would go back to its original contour or nature would take over and continue to restore it to its original appearance. But Jamaica is a lovely area and oh, they have some very fine resort areas down there on their beaches.

LaBerge: What bigger city is it near? Kingston or Montego Bay?

Trefethen: Montego Bay. And gosh, I was thinking of that wonderful resort that we used to stay at. My goodness. It was really first class. But anyway, then, Reynolds had an operation down there. We ended up building an aluminum plant down there in cooperation with Reynolds. But I think that covers it. We did have a good relationship with those people. And we had an excellent man down there.

LaBerge: So the other two companies in the U.S. were Reynolds and Alcoa?

Trefethen: The other companies in the U.S. were Reynolds and Alcoa and Alcan.

LaBerge: Oh, and Alcan. Okay.

Trefethen: Alcan and Alcoa were one at one time. But they had to split up because of the antitrust, either the threat of or maybe they caused them to split up. Well, those three companies, yes, that's really it. And that's the way it's been.

Advertising Aluminum Foil on Television

LaBerge: When did Kaiser start making aluminum foil and marketing that?

Trefethen: Well, we made that, incidentally down in our cement plant.

LaBerge: Oh, really?

Trefethen: Well, if I say cement plant, it's in the area right as--

LaBerge: Permanente?

Trefethen: Yes, Permanente. [laughter] We developed it--. Well, why did we do it there? Well, it was home, you know, and it's a good place to do it. But then the material had to be brought in

anyway. So we went into the foil business and Henry Kaiser had a great interest in foil, because he says the place to sell Kaiser is in the kitchen of every home in America and we're going to have Kaiser foil in everyone of them in America. So, we set out to develop that business and it turned out to be a loser. And the reason it was a loser was that Reynolds was at 95 percent of the business or 85 percent and far and away the majority of the business. And to knock them out of position was a little bit too ambitious to do.

I remember very clearly when I had this problem with Henry J. I said, "Mr. Kaiser, we have got to do something about this thing and I want to get McKenzie in here to take a look at this business, long-range. Should we be in this business or should we not?"

LaBerge: And who's McKenzie?

Trefethen: That's a management consulting firm, nationally known with very capable people. So, I got McKenzie and they recommended we get out of the business. When I took this to Mr. Kaiser, why, he said, "Gene, you're just stark raving mad." And I said, "Well, we can continue to lose money on it, Mr. Kaiser, but unless we can see our way clear of how we're going to pull out of this thing, we really ought to get out of the business."

Well, then while all this arguing was going on, he decided the way to sell Kaiser and Kaiser foil was on the television. So we started a relationship with ABC [American Broadcasting Company] and this wonderful guy who had that and he's still alive. He's in New York. He's a Jewish fellow, Goldenson. Leonard Goldenson. We had an advertising agency and they brought us this program, "Maverick," you know. We took a look at this, the pilots of "Maverick" and this was interesting and so forth and so on. It was going to cost eight million dollars a year. And so Mr. Kaiser got all excited about this thing. His problem was Gene Trefethen.

I was in the Claridges Hotel in London and it was hotter than hell. I was in my shorts and I talked to Mr. Kaiser over the telephone for about two hours about this subject, trying to convince him that this was not the thing for us to do. And he had all the reasons in the world. Even if the foil business was a loser and this would mean that we might even lose more money, the fact is that this would really put Kaiser into the homes of every American and it would become international in scope and this would be very important to our Kaiser Aluminum stockholders and so forth and so on.

So, anyway, I ended up saying, "Well, all right, Mr. Kaiser, you know what I think. We'll do everything on our part to make it go." Well, it was a huge success over this, a huge success. And we kept on with it, you know. Alcoa had their hour and we had a Kaiser Aluminum hour. And with "Maverick" and that wonderful [James] Garner. You know, Garner was a kick. He still is a kick. You know, he's funny. And so today, everybody still argues well, was "Maverick" a good thing for us or not? You have got to conclude that it really was a good thing for us because everybody liked that show. And so it probably helped us in all the various kinds of things that we were doing.

But we finally ended up by getting out of the foil business because it just didn't make sense for us to be in it. I can't remember how we finally ended up getting out of it. But it was while Mr. Kaiser was still very, very active. But we did get out of the business except we kept to our industrial foils. Our household foil we dropped because it was just too much of a burden. But the television experience was successful. I've got to conclude that. It was successful. But he was more, you know, he would never say, "Gene, you've got to do what I want to do." He was only interested in trying to convince you. And he used every argument and every emotion in the book that would do so but he would never tell us what to do. We had some directors, too.

Oh, another problem we had on this, well, this one, too, was George Woods. He was our chief financial advisor with First Boston Corporation in New York. He and I did everything together, but particularly raise money. And he thought this idea of going into television to this extent was just madness. So, I had to not only handle Henry Kaiser but I also had to handle George Woods. But we survived. We got through all this.

More on the Television Business

Trefethen: But this thing was--as a result of that experience, you know, we got into the television business. We got into the television business in a big way. We got to the point where we had as many stations as was permitted under the law. Seven of them, I think it was. And it proved to me a very difficult business to handle with our directors and with George Woods because we started out with scratch, you know. We didn't

have--we didn't buy stations that had been in existence. This took a long time to develop a station. So rather than buy a business, a going business, why, we bought a site and a license and went into business. And we lost money in the process while we were growing up in the business. When we finally ended up, why, we had developed a very, very successful business and it was highly profitable. And of course, Mr. Kaiser used to remind his people that they didn't have any vision and so forth and so on because it was a very successful thing for us to do.

We put a little fellow in charge of that by the name of Dick Block. Dick Block had the vision that made it all possible. He had the knowhow and he had the vision. But he was terrible at making a presentation. And so he'd have to make a presentation to our board and he'd fall flat on his face. And then I'd have the problem of, "Why are we still in this business, Gene? Why don't you get rid of that guy?" He proved to be right.

And George Woods used to talk to the head of CBS. What was his name, that famous guy that was head of CBS? It was a great friend of his. And we were in ultra-high frequency television, which was something new. And this fellow kept telling George Woods, "Your friend Henry Kaiser's mad out there. You know, you'll never make a success out of that." And that's why George Woods was so much trouble. Well, this guy was wrong, too. So it was interesting.

But it worked out. And we finally sold all those stations to Marshall Fields. And if we kept on, it would have been worth a trillion dollars today. But then, we sold them at a tremendous profit, including the starting up losses, of course. So, anyway, that's another one of those things that was a lot of fun, lots of fun, lots of headaches. But the results were worthwhile.

IV KAISER CEMENT, KAISER-FRAZER, KAISER HOMES, AND HAWAIIAN DEVELOPMENTS

The Cement Company Comes into Being, 1939

LaBerge: Did you and George Woods have to sell Mr. Kaiser on going public with Kaiser Aluminum?

Trefethen: No, I was the guy that had to do that.

LaBerge: Were you the one? Okay. How about telling me about that?

Trefethen: Well, the first one was a cement company. It was in 1939 and up until that time we had been in the construction business. When we had something that was too big for us, why, we had partners. And the partners turned out to be very good partners. We didn't have a bad egg in the bunch. We had the Sheas and MacDonald and Kahn and Utah Construction and General Construction and the Bechtels. And all these people were wonderful people and they got along, they were strong, but they got along very well together. When we needed bigness, we had partners.

So, to come along about the cement company: we had a deposit down at Los Altos. We used it for the limestone that we sold to the sugar companies. We called it the sugar rock.

LaBerge: The sugar--?

Trefethen: Sugar rock. The sugar rock. We sold it to the--they used it in the processing of their sugar. So we had this limestone deposit. And it was successful as a small operation selling sugar. We had been very much in the sand, gravel, and concrete business. We knew something about cement because we were

buying it all the time. And so we had relationships with all the cement companies which we buy from, from time to time.

Mr. Kaiser, I remember one day said, "Gene, we ought to figure out a way to get in the cement business." I said, "Well, all right, let's--we'll figure." "Well, I don't know," he said. "There will be an opportunity sometime. But we really ought to do this thing because we use a lot of cement and we've got this deposit of limestone, a very good deposit in a very good location and we really ought to get in the cement business."

So up came the requirements for cement for Shasta Dam. We used a contractor, bid on Shasta Dam with some partners, old partners of ours in the construction business. And we didn't get it. We were the second bidder. Because we knew about Shasta Dam, the requirements for cement came up for bids. I don't know who started this but it might have been Mr. Kaiser. It might have been Harry Davis, who's another wonderful guy we had with a lot of vision, who at one point was down in our cement plant running it.

But we had the call for bids and had our engineers take a look at the thing. George Havas was our chief engineer. He designed and estimated what a cement plant would cost on that property. We decided to bid on the cement. We had a strong board of directors that were a strong board of directors in our cement company. And we were publicly owned in part by that time.

So we put in this bid on the cement for Shasta Dam and we didn't have a cement plant. And that was a bit unusual. A lot of people thought we were just absolutely nuts. But anyway, we bid on this and we were very, very much the low bidder. I can look it up but I think our price was \$1.19 a barrel. And it was way under the prevailing price of cement. So we were low bidder.

Well, then we had to sell the government on our ability to deliver the cement. And we had done our homework well. We had a cement plant that was not radical. But it was large. So we had big divisors. That's why we had a low cost. And we started out with, we proposed to build two kilns. We had to lay it out so we could end up with six, which we ultimately did.

But anyway, we bid on this cement and we financed the construction of the cement plants through the banks. I guess

this contract was with the government to furnish the cement. So we had to convince the banks that we could do it and do it profitably. We did that. And we did that because we were well prepared to do that. But it took some doing in Washington to get the job done because political pressures were put on the Bureau of Reclamation, I think, to give it to the second bidder, to throw out all the bids and call for new bids, all these things. So we got a political thing involved in it. But we again were well prepared and we convinced everybody--at least those that counted--that we could deliver. And we did, of course, very successfully.

And then, of course, we kept expanding that plant as we went into the commercial market. And we did very well in penetrating the market because we knew the business. We were contractors. We were concrete suppliers and we knew all the people that were in it. We were well equipped to do it. We just weren't an upstart. And so it proved to be very successful. That's how we got into the cement business. But those opportunities, when they come, why, you want to grasp them if you can. They don't come very often. So, that's an interesting story about the cement company.

First Public Offering

Trefethen: But on our first public offering, we had established a relationship with George Woods, who was the chairman of First Boston, we did that through an interesting relationship that we had with the writer, Paul de Kruif. He was a writer for Reader's Digest. And we had a relationship with him because he was intrigued by our Kaiser Permanente program. He happened to be a very good friend of George Woods. And George Woods had taken us on as being someone--. He was really fascinated by what we were doing. This was before we had any public interest. He was fascinated because he, for instance, he financed Barnum and Bailey. He was a very, you know, he loved to do something different, you know, for a Wall Streeter to do this is something.

But he really cased us out before he decided to take us on. He really thoroughly investigated us and knew Mr. Kaiser and knew Edgar and he knew me. And he decided these people are good people. I'm going to bet on them.

The first thing that came up where we needed some capital beyond the requirements that we could get from the bank was the cement company. So I talked to George Woods. "What are we going to do about this?" George says, "I'm not going to do this for you, Gene. This is a West Coast thing." He says, "I think you ought to do this with Dean Witter." And I said, "Oh, you think so?" And he said to me, "Do you know him?" I said, "Well, I think I know him through the University of California but I don't know him as a business." "Well," he says, "Go see him. I'll call up, if you'd like." And I said, "Okay." So I went to see Dean, himself. He was a powerhouse. We took him around and showed him and he fell for us, just completely. And he says, "Yes, we'll do this." And so they were the people that financed our first public offering and did it very successfully.

We had on a board, as part owner, Ed Heller. Ed Heller was quite a guy. He was at Schwabacher in San Francisco. He participated in it with Dean Witter. But Dean Witter did a marvelous job and Dean, himself, was a great guy. Jean [Witter] was a fellow that was a peddler. You know, they're wonderful sales people. They still are today. But Jean Witter was marvelous. You know, he could sell anything. They've been friends of ours ever since, you know. It's interesting to watch them being taken on by Sears and now they're getting spun off and sold off again. But it's still the name. And the heritage of it is a great name. That's how we got started in the public thing.

Henry Kaiser was a terrible problem on us. "Gene," he says, "you're talking about selling my business, our business. You're giving it away, you're giving it away. You know, this is just--I just don't understand you." And he really roughed me up. I used to say, "Well, Mr. Kaiser, we're only selling 20 percent of the company. And the results of this, the 80 percent is going to go way, way up and far beyond anything." He says, "Oh, that's," as George Woods used to call things like that, "balloon juice. That's a lot of balloon juice, Gene." Well, it didn't turn out to be balloon juice. It turned out to be a fact.

But then after that, why it was easy when we wanted to get public money into this aluminum company, into this steel company and into the parent company. By then, he understood it and acknowledged it and embraced it. So, he became a very staunch--well, we had to have him in the, you know, in the driver's seat. He's it, you know. We were selling Henry Kaiser and his team. And we had to have him in there, and he

was marvelous because he was one of the best salesmen I've ever seen because he understood people. He was an enthusiast and people just fell for him. True, he had some doubters and he had some skeptics and a few people that called him "maverick" and all this. But he was a really marvelous person. And his ideas were good but they were solid, sound. He knew how to sell them. So, that's how we did it.

Cyrus Eaton and Kaiser-Frazer

Trefethen: The other one that was interesting on public offerings was Kaiser-Frazer. Woods wouldn't handle that. He'd say, no, that's not for me. He put us in touch with Otis and Company, Cyrus Eaton. Well, Cyrus Eaton was, you know--. He was about as different to Henry Kaiser as night and day. But anyway, we made this deal with Cyrus so he'd do this public offering of--

[Interview 3: February 22, 1994]##

LaBerge: Okay, we're starting the public offering with Cyrus Eaton and Kaiser-Frazer.

Trefethen: Well, Cyrus Eaton was a good-looking man. He was very stylishly dressed. He was smooth. I wouldn't say he was slick. You had to be careful what you did with Cyrus. Well, anyway, we did this thing and we ended up with a second offering and something happened. He pulled out of that at the last minute and we had a lot of trouble with him.

But anyway, we ended up with raising the money successfully. And then as we got into troubles and so forth and so on and going to look back on it, we said, well, why didn't we make it in the automobile business? Was it the product? No. Was it the fact that we didn't have enough money? Maybe. What we should have done--I think we raised 100 million. We should have raised 200 million, which we could easily have done. And that extra 100 million we should have put into dealer outlets in each one of the major markets so that we would have, we could have our own dealer there who would be our dealer. We'd lease the facility to him, rather than what we did.

What we did was we had very good dealers but as soon as the war was over, the "big boys" came in and stole our dealers.

And we couldn't do anything about it. We just lost it. So, that hurt our distribution. Yes, it hurt our distribution. But anyway, the point is that we should have raised a couple hundred million which we could have done very easily. But we didn't because we didn't anticipate this as being the problem. Well, that was a lack of vision on our part. We should have said, my goodness, that marketing is key to the whole thing, long term, and we must be assured of outlets. And we could gamble on independent dealers in other than a major sense. But anyway, so that's what we thought anyway. So, we did that financing with Cyrus Eaton.

LaBerge: Did something--I can't remember, but something went wrong with him. Is that right? I don't know if it was with automobiles or if it was farther on with something else.

Trefethen: Oh, yes, we had a lot of problems. I don't recall just what they were. He had a lot of problems. But he was that kind of a guy. He was very controversial, very controversial. Well, he was walking away from a deal with us and I think he did walk away from the deal. But, we never had any more business with him after that. But Woods and First Boston did all our financing.

Financing Hawaii Kai with George Woods

LaBerge: And it sounds like you're the one that did the financing for Kaiser. Is that right?

Trefethen: That's right. George is my guy. I was his person. We did an awful lot together. He was on our board of Kaiser Industries. We'd plan all these ventures and so forth and so on, including foreign ventures. He was a tower of strength. He was very good about sizing people up. We had a terrible time. He'd talk about Henry Kaiser. And Henry Kaiser, after he retired, you know, he was over in Hawaii. He married for the second time after his wife died. He got hold of this real estate thing over there called Hawaii Kai. And he found a Hawaiian superintendent. He was spending money over there like a drunken Indian on this Hawaii Kai.

We had thirty million dollars in that real estate thing before we took a dime out of it. And George Woods back there in New York was just, "Gene, you've got to stop that guy."

Gene, why don't you go over there, stay there, stop him. He can't go on doing this." So you know, I had to go back and forth with Henry Sr. over there. I had some of that influence on him. But he always loved that over there because he didn't have a lot of goddamned vice presidents around to tell him what to do or question what he was doing. And he was just having a wonderful time with drag lines and caterpillars. And he was reshaping the whole place over there. It ended up that he was doing the right thing. But he was doing something that was very unorthodox. Real estate people don't put that much money into a venture before they start taking something out. But he did. And you know, he got every dime back and many, many times more.

But the point was, he had this fellow. They got a picture of him with this Roger James, is this man's name, Roger James. He was another one of these people who could do anything, you know. If Henry Kaiser said, "Move that mountain," why, he'd start moving it, you know. But George Woods was just, oh, my goodness, he just had a terrible time. Finally it all worked out, you know. It's just like the television thing. That all worked out. But the automobile thing didn't work out. And nobody was telling us not to do that. Everybody thought that was a good idea.

But the interesting thing is how we got out of that business, the automobile business. We decided that we would have to liquidate the passenger car business. We decided, let's buy American Motors, the Jeep business. We went to these two people that owned it. They were wonderful guys. Edgar Kaiser and I did this. We went back there. And this is Toledo. I remember that Parklane Hotel. I don't know how many months that I stayed in that hotel. We ended up buying this business from these two people, Willys-Overland. [telephone rings] Where was I?

LaBerge: You bought Willys-Overland to get out of the car business.

Trefethen: Because we didn't want to go into bankruptcy.

LaBerge: Was that one of the reasons you did the public offering, too?

Trefethen: Oh, no. We did that originally. And so, we successfully liquidated the passenger car business. We didn't go broke. Everybody got paid. Some of the shareholders got burned. But we carried on with the Jeep business successfully. I remember Edgar Kaiser was back there. He ran the automobile thing. After he developed and bought the Jeep thing, he developed the

Wagoneer. And that Wagoneer is a very successful car today. And look at all the other people that have copied it, everyone.

LaBerge: That's right.

Trefethen: And I remember Edgar was very excited about that. And he was the guy that was responsible for that. There's no doubt about it. He worked with engineers and he designed it. He was interested in the posts and the vision and everything else. He really came up with a beautiful, wonderful product.

We finally decided after we'd liquidated the passenger car business, well, this is no business for us. We better sell this to somebody that can really do something with it. And so we sold it. When you see what Chrysler's done with it, my goodness, you know, that's been a lifesaver for Chrysler. They did a lot of good things for the product. But Cherokee, that was our name. All these things. But anyway, that's what happened with the automobile thing.

I think that the other thing we did, so that we ended up not losing any money out of the automotive adventure, was that we went to Washington. We put together a new tax law which has been accepted ever since, of a tax loss, carry forward, carry back. And so we had a lot of profits that we offset against the losses. We really didn't lose any money out of that venture.

LaBerge: Do you want to end that for today? Okay. That sort of brought it full circle.

The Flat Television Tube and Clay Bedford #2

[Interview 5: March 17, 1994]

LaBerge: Well, when I just came in you started talking about the diversity of things you have done. And one of them was the development of the flat television tube. Why don't you tell me about that.

Trefethen: That was under Clay Bedford's jurisdiction. He came up with the idea. He was an engineer and he headed the Kaiser Aerospace and Electronics. And the idea of a flat television tube is something that was fascinating to him. He developed this thing to the point that, oh, it was not quite ready for

production but almost. I'm just wondering what's happened to that since that time, which was way, way back there in the late fifties or early sixties.

LaBerge: So after you had acquired your television stations or not?

Trefethen: No, it was about the same time, I would say. I guess that's another way of putting it. A flat tube, of course, has a lot of convenience allure, you know. It promised to be a lower cost tube, too. I think I'll find out now what's really happened to that concept--undoubtedly somebody's picked it up and done something with it. But I haven't seen any flat tubes lately. But Clay was an engineer and he incidentally--Clay Bedford, that is--is the man who worked with Edgar in the construction of Bonneville Dam and Coulee Dam. And then he headed up the Richmond shipyards during the war while Edgar Kaiser headed up the northwestern shipyards during the war.

Kaiser Community Homes With Fritz Burns

Trefethen: Of all these things, my goodness, my goodness, we were in the housing business in a big way. With Fritz Burns, who was a home developer in southern California, we built thousands and thousands of homes together under the name of Kaiser Community Homes. We owned that fifty-fifty with Fritz. And Fritz was a marvelous partner. He was the one with the knowhow in home design and real estate developments, communities and that type of thing.

LaBerge: How did that come about? After the war?

Trefethen: That was after the war. And then Fritz followed Mr. Kaiser over to Hawaii, when Mr. Kaiser went to Hawaii. And together, we built the Hawaiian Village Hotel. And it was owned fifty-fifty by the two of us. We subsequently sold that to Hilton Hotel. The Hawaiian Village is still in operation over there. It's a huge hotel now, very successful. But Fritz was again a wonderful partner.

We were blessed with wonderful partners in all of our various enterprises. And it's rather unusual that partnerships work out so well, so many of them, at least. I think we only had one example of a bad experience and that was over in India with a partner we had in a cement plant. This partner we had turned out to be a crook and it was very difficult to get rid

of him in India. But we had another wonderful partner in India called Mr. Birla, G.D. Birla.

LaBerge: Oh, you've spoken about him.

Trefethen: Oh, really? Okay. Did I cover this point?

LaBerge: No.

Trefethen: Well, what he did for us was he got rid of the bad partner.

LaBerge: Oh, okay. Do you want to mention that person's name or not?

Trefethen: Yes, his name was Serangapany. I'm not sure how you spell it.

LaBerge: Okay. Someone maybe will find it.

Trefethen: I remember he had a daughter, a beautiful young daughter that was a dancer. And during all the time before we found out he was a crook, we had a very good relationship with him. The daughter used to dance to entertain us at their home when we were there and she turned out to be a national figure because she was so talented. But Birla got us out of that one. Otherwise, we have had very wonderful relationships with partners. For years we were partners with the Bechtels and yet we were competitors and we were customers of each other. We were always friends. And this stemmed from Dad [Warren] Bechtel, who was the founder of the Bechtel Corporations and all the way down to today's Steve Bechtel, Jr. and his son who heads the Bechtel organization in San Francisco today. All right, now where do we want to go from here?

LaBerge: Well, could we go back to Fritz Burns for just a minute? Where were the community homes on the mainland?

Trefethen: They were in southern California.

LaBerge: Okay, all in the West.

Trefethen: Yes, in southern Cal.

LaBerge: Okay.

Trefethen: We went into prefabricated homes and that worked well for us. But we found that limitations were such that we didn't continue it on a mass scale because people want individuality. They don't want--. It's important not to have the same house. And they should be, to as large extent as possible, different

designs to please the various tastes of people. But we did a lot of work down in the Los Angeles airport area, Westwood, down there. And these are beautiful subdivisions and it was a highly successful venture, as was the hotel in Hawaii which we sold at a substantial return to us. Fritz continued on in the hotel business by going on the board of Hilton Hotels. And of course, their growth has been fabulous.

LaBerge: I assume that you used all your own materials, like aluminum.

Trefethen: Well, to a certain extent. Of course, there's limitations to that. Most houses are, of course, built out of wood. We were in the cement business and we had a cement plant in southern California and that was important. We didn't make any of the steel that was involved in home construction. Most of that is reinforcing bar. At least it was in those days.

V KAISER STEEL AND GOVERNMENTAL RELATIONS

Financing and Designing the Fontana Plant

LaBerge: Well, that was one of the things we were going to talk about today--Kaiser Steel--because we hadn't touched on that. So, starting with, I guess, the building of the Fontana plant unless there's something before that.

Trefethen: Well, basically our business was the construction business. With our Kaiser engineers we built a lot of projects which involved materials, building materials, cement, steel, aluminum, gypsum. Henry Kaiser always had a feel--he really liked to get in the steel business. It was a fascinating business. He'd like to have one out here in the West, a steel company out here in the West. The opportunity came for this during the war when there was a great shortage of steel for the shipbuilding industry and particularly, we felt that because we were big buyers of steel for our ships. And we were building at a fast clip.

So we applied to the government for permission to build a steel plant in the West. We proposed that it be built with RFC [Reconstruction Finance Corporation] funds which we would borrow against our assets that we were developing at a very fast rate and as a result of our shipbuilding activities. So, we applied to the government during the war and got a certificate of necessity, which permitted us to borrow the money and write off the plant at a fast rate.

And the question was, how do we go about designing such a plant? George Havas was our chief engineer at the time, marvelous man and a genius. And he designed most of the facilities that we had and were building during those many years just before the war and during the war, and subsequently

after the war. We originally wanted to build this steel plant on the water. We located a sight on the water at Port Hueneme. But the government said, no you can't build the plant there because it'd be too susceptible to the Japanese coming in and bombing it or taking it over or destroying it or damaging it. So, we went inland and we located the plant at Fontana, which is about forty miles, fifty miles out of Los Angeles.

George Havas designed the plant which consisted of a blast furnace with the appurtenant structures, coke ovens, ore handling facilities, etc. A steel-making facility--open hearth is what they called the process in those days--and a plate mill, to make plates for shipbuilding. We engaged many consultants in the process and set quite a few records in the process. We designed and built and put in operation a blast furnace in a period of nine months, which was almost unheard of in those days. And we got into production and started rolling steel for the shipbuilding industry.

In order to get iron ore, however, we--because we didn't have any iron ore--we finally made a deal with Southern Pacific, who had a deposit down there. And we bought a deposit called Eagle Mountain which turned out to be a very fine iron ore source. We developed our coal through acquiring some coal facilities in Utah. And our limestone came locally from that area. There was, of course, plenty of limestone down there in that area. The plant was very successful, financially. We ultimately paid off the RFC 100 percent.

Negotiating with the Government

LaBerge: And early, too, didn't you?

Trefethen: Yes. Early, before it was due. That was a part of free financing of the company which involved payments of additional capital. Our competition was the Defense Plant Corporation project in Utah which is run by the Kaiser, or by the United States Steel Corporation. And we tried to get a defense plant type of contract with the government, but they had one with the United States Steel Corporation and that's really why we decided that we'd borrow the money and go into business as a private venture. And borrowing the money from the RFC which, of course, was set up in order to facilitate the financing and facilities necessary for the war effort. I remember those were wonderful days. Jesse Jones was head of the RFC. And he was

quite a figure in the government at that time. He was from Texas, a wonderful man, had a lot of confidence in us.

Then following him was a man by the name of Sam Husbands. And Sam Husbands was another wonderful servant of our government. Again, we had to maintain a very good relationship with all these people and we did so by good communications within and also by being successful. We were building a plant on time and ahead of time. We met all our obligations and then some. And the net result was that Henry Kaiser continued to build a great name for himself and his organization through the various projects that had been initiated and successfully carried on through to a successful operation.

The steel company, as I said, became a publicly-owned corporation when we paid off the RFC. And the Kaiser Industries Corporation, which was our holding company, and the other was an operating company, held the controlling interest in Kaiser Steel Corporation. Over the period of the years it was further diversified, increasing the capacity, steel-making capacity, going into other forms of fabricated steel, I mean, steel for fabrication, structural steel, and sheet as well as plate. And it became a very successful, competitive, fully competitive steel company serving the markets of the West.

We also at the time set up a pipe plant which became very important to the success of the venture because of its higher profit margins and those standard structural shapes. And we shipped that pipe, which was a high quality pipe by reason of fact. We had acquired from the Basalt Rock Company up in Napa their pipe business because they had press for pressing this pipe. It was invented by them and they came out with a very high quality product that was sought out by people outside of the West and we [inaudible] out those at the pipe from the West all over the United States.

LaBerge: Weren't you involved in a lot of these negotiations both for the loans and with the railroads?

Trefethen: Oh, yes. Yes, I was in the middle of all those things and working out the loans. Of course, the War Production Board was the overall organization that you had to get clearance from in order to do almost anything. And so we had a Washington office. But I spent a lot of time in Washington myself, with the RFC and with the War Production Board; it was a lot of fun. We met a lot of wonderful people but it was very satisfying because things went fast in those days. You didn't have to wait around a long time for decisions. There was urgency in the air and we all enjoyed working in such an atmosphere

because it was more fun, because, as I say, more satisfying, more rewarding. It was always nice to get things done.

Relationship with Big Steel

Trefethen: In fact that's why we set up quite a few records. We started out with the steel company--Ordway ran that for us for a while and then Tom Price. Those people all worked closely with me and I was really the top guy that they worked with. And we brought in some people from the outside who had steel-making experience. We had very good luck with them. Except one of them that was in the middle of--he was in charge of operations and was killed down there in an automobile accident, which was a sad thing to happen because we needed him very much because he had a lot of contacts with the people in the steel business, was able to get the personnel we needed and so forth. But then we were lucky enough to get him replaced by somebody who was equally good.

LaBerge: What were their names, both the man who was killed and--?

Trefethen: I'll have to give you those two. Oh my goodness.

LaBerge: What was that relationship like with Big Steel?

Trefethen: Well, we were competitive with them and always were competitive with them. Well, we got to know the people quite well. These were people that subsequently we were buying steel from right after the war when we went into the automobile business. And the fact that we were competitive did not in any way adversely affect our relationships. It was a plus if anything because we knew the people.

One of the problems we did have with the competition was that our policy on labor was different than their policy. And we believed in working more closely with the union and we believed in incentives that were payable to the people, outside of their standard wage, because of their productivity or increases in their productivity. And that wasn't something that they wanted to give to the unions. They were more in an antagonistic position with the unions than we were. We were working with the unions. It worked well for us and they resented that. But they got over that over a period of time. But there was a period of time when they were pretty upset about what they were doing.

Let me see what else. Oh, the coal thing was very interesting. We ended up with a successful coal business, too, and we ended up finally selling some coal to the U.S. Steel Corporation for their Geneva Works, which was their defense plant up in Utah.

LaBerge: Where did you find the coal?

Trefethen: In Utah. [Sunnyside Coal Mine]

LaBerge: Okay.

Trefethen: Trying to think of the name of the outfit that Moroni Heiner had.

LaBerge: Oh, the man who wrote the book?¹

Trefethen: No, he was related to him, his father. He was from Utah. We ended up buying the company. I can't remember the name of the company but we bought the company and we had a very successful coal operation. There's no doubt about that. And it was something we didn't know anything about when we went in there. But it was the mining business, of course. Our engineer, Tom Price, was able to pick that up in a hurry. That worked out to be, again, a very good operation. So, the overall economics of the steel business of ours in the West was solid, good.

The Japanese Connection

Trefethen: Incidentally, as part of the steel business, we also sold iron ore to the Japanese. We sold steel ingot to the Japanese. We sold pig iron to the Japanese. That was a part of our overall Japanese experience. Over a period of years we've developed a tremendous amount of business with the Japanese. They were buying from us. We were buying from them. We bought ships from them, cargo carriers, huge ones, one of which was named after me.

LaBerge: Oh, really?

Trefethen: Then we, I think I covered it before, but through our Australian operation, we sold them bauxite and alumina and our

¹Albert P. Heiner, Henry J. Kaiser. Western Colossus (San Francisco: Halo Books, 1991).

aluminum company and a partnership in a rolling mill outside of Tokyo, aluminum rolling mill. We sold them, as I said, bauxite and alumina. And those relationships were fun, too, because I got to know these Japanese real well. I liked them very much. There's much to be learned from them, how they operated. And they're hard workers and they work together as a team very well. And many of their team practices were, we have adopted in this country now, too.

LaBerge: Can you give me an example?

Trefethen: Well, in a steel operation, for instance, it's important that the team work together towards a common objective of producing quality steel at a low price; instead of relying upon a certain tenant or foreman telling everybody exactly what to do with the team, it works together. And they work out their own relationships and they help one another as distinguished from some of the union practices where the person is restricted to do just only specific jobs. And everything is classified.

The Japanese don't do it that way and we found that out, out here at Fremont at the NUMMI [New United Motor Manufacturing, Inc.] plant, where this is a partnership between General Motors and Toyota, building both U.S. and Japanese cars and where we found out how they really do that. And it works very, very well, the team approach. It gives for better efficiency and quality control. I often thought maybe the Japanese were harder workers. They really are not. Given the same tools, our people will outproduce them. Our productivity is really more and better than the Japanese. I remember when I was over there, I watched their construction methods. And we knew something about construction. And they just didn't have anything on us. Basically, the Japanese have got good discipline. They're beginning to lose some of that now, as they become more modern.

But anyway, they have good discipline. They're industrious. But our people are more creative when we put into the equation the things that are necessary to end up with the most efficient and the highest quality product.

We had that out here in America with the automobile. We all know that the Big Three sort of let down on quality controls and got a little soft. When they finally ended up realizing they had to compete with the Japanese, they went to work on that and they've ended up now on top of the Japanese in so far as quality and cost is concerned.

But going back to the steel company, in 1976, when the family decided to liquidate Kaiser Industries, which meant selling off its steel stock which was a control of Kaiser Steel Corporation. The business was sold to somebody who really was a bad operator and didn't do a good job. And the end result was that the company failed and it was liquidated. And so it's out of business today which always is a sad thing for me.

LaBerge: Who was it sold to?

Trefethen: Well, it was a group--

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Trefethen: There were two steps in this process. When the family decided to voluntarily liquidate Kaiser Industries, they sold off all of their directly owned assets and spun off the Kaiser Steel Corporation to Kaiser Aluminum and Chemical Corporation and the Kaiser Cement Corporation.

LaBerge: Do you want to come back to it another time? Or you can add--

Trefethen: Let's go someplace else. I've got [to refresh my memory] and in so doing, I will be able to reconstruct it again.

Campaign for Number One, 1954

LaBerge: Okay. Well, we're still in Kaiser Steel, before the liquidation. One thing I want to ask you about is, when you began a campaign to be number one in 1954, you put forth a real push--

Trefethen: We worked that out with Jack Ashby and he was the president of Kaiser Steel. Al Heiner was the public relations fellow at the time and we decided that what we wanted to do was to develop a program that would be a great stimulant for the people. We decided that we could be number one in any number of different things. And we had a whole list of items that we strove to be number one in: labor relations and stockholder relationships, and competitiveness, a lot of different things that we felt we could be number one in. And we had a program where we publicized this very extensively.

All the employees got all involved, and excited about the prospects of this and the results that we were getting. And we were having competition between the various divisions of the

company and so forth and so on. And out of it came a real good spurt. The whole group was working towards a common goal, of being number one in the industry. We were convinced that we got to that point. It served a great purpose of bringing together the team. And out of it was, again, some good results that Kaiser Steel got profit-wise and its standing in the industry and in the community. I have it around here someplace, all the things that we strove to be number one in. It was a very effective project, program. And it really worked. It really worked.

Jack Ashby was a marvelous guy, very good communicator. Everybody loved him. He had a wonderful sense of humor and a lot of drive. And he was able to get all these people around him with this program. They were able to do things that, if they hadn't had this group, they wouldn't have been able to accomplish. Well, that was the number one program in Kaiser Steel. I forgot about that.

LaBerge: Were there any other plants besides the one in Fontana?

Trefethen: No, just there was the Steel Corporation.

LaBerge: Where else did you find iron ore besides Eagle Mountain and then Australia?

Trefethen: Well, those were the only two that we really developed. And I covered the Australian thing, didn't I? Yes.

LaBerge: Yes.

Trefethen: And we covered the Australian aluminum thing, the bauxite and the alumina and the relationship with Rio Tinto. Okay. So, it comes back to the Steel Company. I've got to get that sequence in mind. It was actually a takeover that caused the problem at the Kaiser Steel Company. Somebody wanted, somebody really--. See, what happened when we spun off these companies we lost the control of Kaiser Steel, Kaiser Aluminum, and Kaiser Cement. Reason being that our stock, Kaiser Industries stock, was distributed to its shareholders. And so there was no longer that big block. The result being that Kaiser Steel, Kaiser Aluminum, Kaiser Cement were there as independent companies with no large stockholder.

Takeover Attempts and Liquidation of Kaiser Industries

Trefethen: And then when we got into this period of takeovers, where people were being taken over, we were an obvious target because that was of great value there. Somebody could come in there and take us over. We fought this tooth and nail for a long time, and all three companies, Kaiser Steel, Kaiser Aluminum, and Kaiser Cement.

I remember with Kaiser Steel, we withstood two takeover attempts. A third one, we finally had to make a deal with the people--we, the board of Kaiser Steel, had to make a deal with the people that were making these bids because it got to a point where in the interest of the shareholders--we the management represented the shareholders--we had to be sure that we were not being arbitrary and so the net result was they decided to sell, to work out this deal with these people who bid for the company. And so they ended up with the company and our people--some of them were left--stayed on. Others didn't and the net result was that it was out of our control completely. And these people that took it over, and I'll give you the name in due course, just didn't handle the business correctly and it went into bankruptcy. But we, at that point, had nothing to do with it except our name was on it.

Now, with Kaiser Aluminum, we withstood four takeovers and the current owner is Mr. [Charles] Hurwitz from Texas and he is, through his company called Maxxam [Group Inc.]. That company is successful, doing well. The cement company was taken over by Hansen--Hansen from Great Britain--doing very, very well. In each case, our own people are learning the business for the new owners. And that has worked very well, but the Kaiser Steel one didn't work well at all. (And the stockholders ended up suing the owner.) I can't remember that name. And it was just a disaster, no doubt about that. Everything else has worked out extremely well and all the companies that purchased the various assets, whether it was the sand and gravel company or Kaiser Engineers, Kaiser Aluminum, Kaiser Cement, all of them worked out and worked out very successfully and are doing very well in their respective fields.

LaBerge: Well, so Kaiser Steel was the only one. Wow.

Trefethen: It was really a disaster. Still is. I think they're still suing one another. We were not involved in it.

LaBerge: Were you always vice president of Kaiser Steel?

Trefethen: Well, I guess I was vice chairman of the board. I was originally executive vice president of all these things when Henry Kaiser was the head man, a big chairman and chief executive officer. But then we made Jack the president of Kaiser Steel and Tom Ready the president of Kaiser Aluminum and Walt Ostermn the president of Kaiser Cement. And at that point I became vice chairman of the board of those three companies when I was--at the time when I was president of Kaiser Industries we had the control of these three other publicly-held corporations.

LaBerge: Well, anything more on Kaiser Steel either--or more on labor or strikes? I read that there was one strike. And maybe that was what you were talking about when Big Steel wasn't--

Trefethen: Well, we were involved with Big Steel as an industry member and they were all running labor negotiations, they being one of the big fellows. We got involved with them at the time and we broke with them over an issue and went our own way while they went out on strike. And this was because we just didn't believe that they were handling it properly. And so we were free to do this. It wasn't anything that would prevent--we didn't break any agreements or anything like that. But we just broke with them and decided to go our own way and so advised them. That weakened their position, of course, and they didn't like that. But anyway, that was what we were able to do and free to do and did do.

Well, we always had it good. Henry Kaiser knew all these labor leaders. You know, we made a point of being on a first name basis with them all whether it was--. I think it was a big man that ran the coal industry for years, quite a character. Well, anyway, Henry Kaiser was able to get along with all these people and made a point of having a personal relationship with them, which was important to do.

Henry Kaiser and the Federal Government

LaBerge: Well, how about launching into Henry Kaiser's government connection or his politics. Both the fact that he was a good friend of [President Franklin D.] Roosevelt and seemed to be able to go straight to him and work out contracts when maybe, you know, it didn't work out with the admirals, for instance, over the ships. And then that Roosevelt was thinking about him for vice president. How much involved in all of that were you?

Trefethen: Well, Henry Kaiser had a lot of experience in Washington when he was the chairman of the executive committee in Six Companies that built Boulder Dam. In a big contract like that, Congress has to appropriate the money every year to continue it. It developed that it was almost a continual chore to keep us in money down there. So he had the chore of working the thing out through the government which was the Department of Interior, Bureau of Reclamation. And that meant he had to get also involved with Congress because they had to appropriate the money. He developed a great technique for doing that, technique being just good relationships that he'd built up with whoever was there. He didn't care whether they were Republican or Democratic. This was a project that had been approved and it was just a routine question of getting the money appropriated each year. And so he got to know Washington very well. That went over a period of two or three years that he was doing that.

Then came the war. My, no, even before the war. Our experience we had with the government is in connection with our Kaiser Cement Company, when we bid on the Shasta Dam for the cement as a low bidder and didn't have a cement plant. And so there was quite a negotiation that had to be worked out in order to get that done, because who was this upstart from the West who was bidding on this huge plant, this huge contract without a cement plant? It was quite a sales job in order to convince the government that we had the ability to do this job. And Henry Kaiser was the one that did that job. Was I with him? Yes, I was with him. And it was a lot of fun. We had to talk to a lot of different people but we got it done, got the work done.

LaBerge: Namely senators and congressmen or--?

Trefethen: Yes. Then came the war. And during the war, why, there was constant relationship with the government. Well, Henry Kaiser sort of, if anything, he considered himself an independent. He wasn't about ready to be nailed down as a Republican or a Democrat. He had friendships with all these people and sometimes he agreed with them and sometimes he didn't. But anyway, he was a great persuader and a likeable fellow and as a result of that he was--with his energy and his knowledge of the subject--he was able to do a lot of things that were essential to our success.

He knew Mr. [President Herbert] Hoover very well. Mr. Hoover, I remember, was in our guest room down at the Boulder Dam. This was when it was called Hoover Dam before they decided to change it. And Hoover, of course, was a black

Republican or whatever you want to call him. This is the time when he'd just been defeated by Roosevelt. He thought that this was the greatest gamble that the American people have ever taken in all of history and so forth and so on, to be taking on a guy like this. But, that was that side of defense.

Roosevelt was a different guy entirely. During the war we had all these relationships, there's no doubt about that, with the government and all of its aspects, the Maritime Commission, navy, army. You know, we had two shell plants that we built and operated for the government, one in Denver and one out here. And we were building shells for the government. Well, that was the ordnance department. That was the army. Then we had all these relationships with the air force. And this was because of all the work that we were doing in the aircraft business where we were subcontractors for many of the people in the business through our plant back at Fleetwings, which is in Bristol, Pennsylvania. And then all the negotiations having to do with the cargo plane, you know, with Howard Hughes and all that.

He had a lot of relationships with the government. He loved to do that because he loved people. It was a challenge for him. He would never let go, you know. He was relentless. He was just on top of these people constantly until he got what he wanted. And yet there was a lot of kidding about him. "Oh, here comes Henry again," and all that. But they all respected him because he did get things done. And they needed somebody to get things done. There was no question about the fact that he was doing just that. He was getting things done.

So, it didn't really matter whether the person was a Republican or a Democrat. And of course, during the war, why, that was less important, whether you were a Democrat or a Republican, than it is today. Now, if they're going to appoint somebody--the government in Washington today--they've got to be absolutely sure of the loyalty of that person before they put them in there, regardless of how much ability he or she may have. It didn't used to be that way.

So, again, Henry loved that kind of work. He was extremely good at it. It is one of his reasons for his success. Another thing about him, of course, he was completely honest. He never made any political contributions or anything like that. He stayed away from the political arena completely because he says, "I can't. I'm working for the government and I just can't be on one side or the other." And he was wise and it worked out extremely well.

LaBerge: Do you think he considered running for vice president, seriously?

Trefethen: No, you know, he just sort of chuckled about that from time to time because he wanted [inaudible]. You know, a lot of things were written about Henry Kaiser in those days. And they had cartoons and he was called a maverick and all these things. He had a relationship with Harold Ickes, you know, in the Department of Interior. And a lot of people would say that Henry Kaiser was able to back his truck up to the Treasury and load it up at any time with any kind of money that he wanted. All those things were going on. But no, he never had any moment where he thought seriously about running for public office. But there was a lot of talk about it. And that makes sense because of the business he was in. It was just incompatible with building ships and building new industry after the war and all these things. That was his--his course was clear and he stayed on course.

But you know, he had a lot of fun with the press, too. He was very good with the media. He considered that good public relations, good press relations, good media relationships were very, very important to him. So he always had time to talk to the press. They could never get him mad, you know. And they liked him. They liked him. They kept writing about him all the time, you know. He always used to say--I think I said this once before--he always used to say, "As long as they get the name Kaiser and spell it right, it's okay with me. They can say whatever they want outside of that."

Community and Government Relations Today

LaBerge: Well, how did that filter down for you, then, when you were in charge?

Trefethen: Well, you know, we always got along well with the government in power whether it was Oakland, California, Washington, or whatever it is. We always did our part to be helpful whatever the effort was, particularly if it was something we were doing. But beyond that, we supported the people that were in government. They were our friends and we didn't criticize them publicly or anything like that, which goes on today. So, what came out of Henry Kaiser's influence is that today, our people are very interested in working with the community. We weren't scrapping or fighting them or anything like that. We were

trying to help them get the job done. And to the extent that we were benefitted directly, fine.

But even if it's just a community thing, why this is something that we do and right here we're the three of us, Mr. [Cornell] Maier and Mr. [James] Vohs and myself. We work on these community things all the time. We had the university people, some University of California people in here yesterday, from the system [1994]. We're located here in the Kaiser Center now, working with them and working with [Governor] Pete Wilson's office.

We're trying to figure out how we can come up with a program that Pete could use in his campaign that would be a popular one and would be a solid one that's based upon what has made our economy in California as strong as it is, which is our educational system. And we're trying to figure out how we can come up with something that's saleable to the people and getting votes because we've got to change the priorities in Sacramento. There are too many social things and not enough of the educational things, particularly higher education, that have really made this state as strong as it is. It's just not UC Berkeley, it's the UC system. It's Stanford. It's USC [University of Southern California]. California had been very strong because of its strong educational system and is being threatened now with cutting off funds. I was shocked to hear from [Vice Chancellor] Dan Mote, who was in here yesterday, that with this new early retirement program at Berkeley, they're going to lose 10 percent of their faculty. Ten percent.

LaBerge: And we've already lost a lot.

Trefethen: And why it's 10 percent is because we have an older population at Berkeley than they have at the other campuses. But anyway, that's a shocking thing because of all the cuts that have previously been made. Plus, no raises that have gone for some period of time. You can't go build--you can't maintain a strong institution with that going on. You do it for a few months or a year or two, but you just can't, you've got to stop that. And I get all involved in this with the same thing, over at UCSF [University of California at San Francisco] because UCSF's the same problem. And although we are going into these fund-raising programs, this big one at Berkeley which you're familiar with, this billion dollar one, and we're in the middle of the one at UCSF which is 500 million, of which we've got 300 million now.

That's just a small part of the problem that we have to address ourselves to, to continue to build a strong base which will train the people to--necessary to build and grow our economy which has got to be done. So, that's what all came from Henry Kaiser, you know--that's the way he acted. That's the way he lived. And then if he was doing work abroad, he always was working very closely with the government that was involved. We did a lot of building of structures, and always, even if it was Nkrumah, the Ghana dictator, you know, always was able to get along with all these people having to--but establishing with them clearly that there was no monkey business involved, no paying off anybody or anything like that. And we never did that and we avoided it, because everybody knew it was our policy and the answer was no. It got to a point where nobody would even approach us which they normally approach everybody that's involved.

So that all came from Henry Kaiser. That's the way he lived. And because he lived that way, why, we lived that way.

LaBerge: Well, because the headquarters were in Oakland, was there any relationship with the Knowlands, either Senator [William] Knowland or the Oakland Tribune?

Trefethen: Henry Kaiser and his wife Bessie--

LaBerge: Oh, and I'd like to hear about her, too, because everyone says that you knew her the best.

Trefethen: Yes, we were very close friends of Bill Knowland and Helen. I think that was her name, Helen. You know, they were Mr. and Mrs. Oakland. And they used to have dinner together and talk together about things of common interest, particularly what was going on in the world. This Knowland was quite a guy. Mr. Kaiser always had a very good relationship with him, a friendly relationship with him. And because of that, why, we had a good relationship in the city in which we all live or work at least. So, we always had a good relationship there and you know, now, today. I've got a very close relationship with Pete Wilson. And our people know it and we use that relationship to our common advantage over a period of time. It works that way.

Bill Knowland--I remember Bill Knowland. I went to college with Bill since I was a junior and he was in my public speaking class. I remember this guy. He was very good in those days as a public speaker. Certainly, I thought that was one of the best courses I ever took because one thing you've got to do in this world is get on your feet every now and then. And it's terribly important to have that training.

LaBerge: Was it a requirement so everyone took it or did you just happen to?

Trefethen: I just took it--

VI MORE ON THE ENTIRE KAISER EXPERIENCE

[Interview 5: March 17, 1994]##

Voluntary Reorganization of Kaiser Enterprises, 1956

Trefethen: One thing you had on your list was reorganization of the Kaiser enterprises in 1956.

LaBerge: Yes. Should we talk about that now?

Trefethen: Okay. Going back to the beginning of Henry J. Kaiser's enterprises, he established the Henry J. Kaiser Company which was the family company that was the base for all of our business activities. And sometime rather early in the game he set up another company for us called The Kaiser Company. Us, being his top people and we became shareholders in that. Henry Kaiser really believed in incentives for his people. And that was, of course, the biggest incentive of all which was to be a part of everything that was being done.

The Henry J. Kaiser Company and The Kaiser Company were involved in all these things that came into being before the war, during the war, and after the war. The Henry J. Kaiser Company was the one who was a partner in the building of Boulder Dam, Bonneville Dam, and [Grand] Coulee Dam. And the Kaiser Company had an interest in all of those three projects, too. Henry was in there, Edgar was in there, Clay Bedford was in there, I was in there, Joe Reis was in there, [A.B.] Ordway was in there, and Tom Price was in there. And so we were part of a whole.

That was privately held, both companies were privately-held companies. And everything we did was a privately-held company which means that we didn't have any public ownership of our stock until we set up the cement company in 1939. And that became a publicly-held corporation. The cement company did but

Henry J. Kaiser Company had, The Kaiser Company, had the control of that, control stock of that as they did have also the control stock of Kaiser Aluminum, Kaiser Steel, through those entities. Kaiser-Frazer was a publicly-held corporation. And again, we had a controlling interest in Kaiser-Frazer.

And when we sold the--when we bought, or when we decided to liquidate the automobile business, we sold--. We had a company, Kaiser Industries Corporation with shareholders and so forth. And what we did was we merged the Henry J. Kaiser Company. This was after we got out of the automobile business. We merged the Henry J. Kaiser Company, the Kaiser Company into Kaiser Industries and changed the name. And that became Kaiser Industries. And so everything that was Henry J. Kaiser Company and the Kaiser Company became Kaiser Industries as a result of that operation back in 1956. So, Kaiser Industries at that time then owned these major participations in aluminum, steel, and cement. And they also owned, as divisions, the engineering division, the sand and gravel division. They had stock in the broadcasting, our broadcasting company in which we owned all that stock. But it was a separate corporation. Kaiser Broadcasting is a separate corporation. That's seven televisions and a couple of radio stations.

There was another company, the Kaiser Aerospace and Electronics Company that we also owned as a fully-owned subsidiary of Kaiser Industries Corporation. So that became our basic structure, Kaiser Industries which was owned by the Henry J. Kaiser Family Foundation. And some of the rest of us who had stock because of our participation in the Kaiser Company, we were therefore, at that point, shareholders at Kaiser Industries. And then, that was the basis for--well, we had then, four publicly-held corporations where the public had an interest, I mean. We had the control interest until we decided to--the family decided to voluntarily liquidate in 1976.

So, for twenty years, Kaiser Industries operated that way. Mainly we had wholly-owned divisions or wholly-owned corporations. We being Kaiser Industries. And we had the control interest in Kaiser Aluminum and Chemical Corporation, Kaiser Steel Corporation and Kaiser Cement and Gypsum Corporation. So, that's the way that worked.

LaBerge: So, the reorganization really came, well, maybe not as a result of but when you sold Kaiser-Frazer.

Trefethen: When we got out of it.

LaBerge: Yes, okay.

Trefethen: We decided we couldn't make it in the automobile business, passenger car business. So, we bought Willys-Overland. I told you that. And in order to get the Jeep business and also the Wagoneer, which was a very successful product then and still is. So, we bought that in order to liquidate the passenger cars. So, we cut the passenger car business out and then we subsequently sold Willys-Overland to American Motors. So, we were rid of the automobile thing in all these aspects. At the time we did this, mainly, there were a lot of tax advantages to having done it this way. And this worked very well. It was a change that was possible because of the timing. Couldn't have done this earlier in the game. But the timing was right. We didn't have the automobile thing as a problem. Everything else was doing very, very well. Everything was successful. Everything was making money.

Liquidation, 1976

Trefethen: And it made all kinds of sense and so from that point on, why, we continued to grow until the family decided to--this was after Henry died, you see--the family decided, and the foundation was the one that owned all, most the stock, the Henry J. Kaiser Family Foundation. The chairman of the Henry J. Kaiser Family Foundation was Edgar Kaiser. And George Woods was a financial advisor. He was my guy that I worked with in financing all these years.

But anyway, that was done in that way and the family foundation, therefore, had really the control position over what was done by Kaiser Industries because they had the biggest hunk of Kaiser Industries. And then the family had some, Edgar Kaiser had some, Henry Mead Kaiser had some and the girls had some, not a hell of a lot but they had some interest in it and directly which came through their father, Edgar, who died in 1981. And there were six kids, all of whom have had a participation. So, they had some stock which they have retained.

LaBerge: Now, were you in favor of the liquidation?

Trefethen: Yes, I was. I was the liquidating trustee. Why was I in favor of it? There was an established discount that we were convinced would continue forever between the value of the holdings of Kaiser Industries and what it was selling for in

the open market. And it was 25, 30, 35 percent was going to continue to be that indefinitely. There are a lot of similar relationships in America today that convinced us that this was going to be a permanent thing. This is a result of our working with our advisors and so forth.

The architect for all this was Jim Parker. Jim Parker was my general counsel, for the company and me. And I retired in '74 but I was still around here with an office and so forth and a secretary and still a part of everything that was going on. I mean, somewhat of a part. But Jim Parker was the fellow that really did this all. He was a wonderful lawyer, a wonderful guy, just a wonderful guy. And he orchestrated this whole thing. It was very difficult to do this because you couldn't make any mistakes. You couldn't make any mistakes in the process because there was a big tax advantage to the participants in this liquidation and being sure that it'd be done in the right way.

So, I think that, yes, I was in favor of it. I also was in favor of it because of the fact that there wasn't really anybody who had emerged to run this whole thing.

LaBerge: That's what I wondered, who took your place? So, no one really did emerge.

Trefethen: Nobody did. And see, in '74 I retired because I reached that magic age of sixty-five and I set up the retirement program and I, you know, I had to live by it. I believed it. I still do. Edgar was my age, and he didn't last too much longer after that because he had prostate cancer problems and you know, it was gradually getting him. And so there wasn't anybody and his son was not a man who had the confidence of the organization, his older son. There wasn't anybody. Nobody. And so the family wanted this done and the family foundation wanted it done, so it got done. And I was in favor of it. Nobody was against it. But I, you know, if we'd had a strong guy--. But like many of these typical families, you know, they don't last forever.

LaBerge: Or the interest isn't there.

Trefethen: Yes. Something happens. So, anyway, that's why that happens. And I think the main thing about it is that nobody got hurt in the process except the--. It was very good for the shareholders at Kaiser Industries. Very, very good. It turned out to be a great thing for all of them. And the only problem was what would happen at Kaiser Steel and Kaiser Aluminum and Kaiser Cement. And as I say, it turned out okay with the new

people. I guess I shouldn't be concerned about that. But I'm concerned about the fact that Kaiser Steel failed. It had Kaiser's name on it. I never liked that. I still don't.

LaBerge: Well, then it affected your employees, people who had been your employees, too.

Trefethen: Yes, that's right. And everybody else has fared very well-- all the other employees have fared very, very well. They've all gone on and continued to grow very successfully. I was talking to [Richard C.] Dick Block yesterday. He called in here. Dick Block is the young man that put together the broadcasting thing.

LaBerge: That's right. I knew I'd read his name somewhere.

Trefethen: Well, Dick called in here yesterday and we chatted for a few minutes. And he's very successful in his business, the communications business. He's a consultant and I guess has done very, very well. Oh, he's an imaginative fellow, you know, a wonderful guy. And he said to me yesterday, "You know, Gene, I know we had to sell that thing to Marshall Fields," he said. "But do you know how much that would be worth today, if you'd kept them?" I said, "I don't get any fun out of looking back." So anyway, that's why we went into voluntary liquidation. It was very successful. It did everything that the shareholders wanted it to do and more.

Kaiser Permanente [Medical Care Program], of course, has continued on. It was nonprofit. It was unaffected by this decision. Of course, I'm still on that board and am vice chairman emeritus and all that. And what they're doing is something that's very much in the limelight today. But it's got a tremendous future. And we've got good people running it. It's the thing that Henry Kaiser felt that he would be remembered more for than anything else anyway, the health plan. He's right. He was right. But he had a lot of fun developing. We all had a lot of fun with that.¹

¹ See Eugene E. Trefethen, Jr., "History of the Kaiser Permanente Medical Care Program," an oral history conducted in 1985 by Malca Chall, Regional Oral History Office, The Bancroft Library, University of California, Berkeley, 1986.

Bessie Kaiser and Ale Kaiser

Trefethen: You wanted to know about Bessie. Bessie was a wonderful woman. She was a wonderful wife for Henry. He would come home every night after his day and he would tell her everything that went on during that day. And he had great respect for her judgment, particularly about people. And he'd go overboard on a person and she'd say, "Well, Henry, now wait a minute, you know." But she could size up people. And she and I had a wonderful relationship together and she used to love to go--she loved to gamble and so I'd take her up to CalNeva and take her to the Golden Gate Fields out here, you know, because she wanted to gamble. And she was a wonderful cook, a wonderful wife, and a wonderful mother. Henry was very, very fond of her right up until the end, you know. And well, he looked after her like it was his business. But she was good goods. She was good goods. There she is right over there now. I guess you see her picture. [pointing to photo on wall]

Her name was Fosburgh. She was German. Came from a very good family. And Henry came from a very poor family. She was an aristocrat. Henry was a pretty rough guy, you know. I remember Henry used to say--in order to--he went to her father for permission to marry his daughter. And he said, "Well, young man, when you get yourself a steady job and have got an earning power that I have confidence in, why, you can marry her." So, he went to work. He came back in about fifteen minutes. Said, "I got a job. I'm doing well." [laughter] Oh, dear.

Then Henry's second marriage was a very good one for Henry, you know. We'd all known [Alyce] Ale Kaiser. That was her married name after she married Henry. Ale was our chief nurse out here at the Kaiser Permanente right out here on Broadway. And she was a very good nurse, damn good nurse. She was a strong person. She took care of Henry Kaiser's Bessie until she died. That wasn't her principal job. But I mean, she did. Of course Henry got very close to her and so forth and so he ended up marrying her. Edgar Kaiser and I tried to get him to slow down. "Hey, wait a few minutes." No, he wasn't going to do that at all. So, he married her and then they went over to Hawaii shortly after that and built a life for themselves over there that was exciting for them and for us. And she was very good for Henry. She kept him interested in everything and was a tough person for him to differ with. She influenced him a lot. But she did a good job for him.

LaBerge: That's interesting for someone who was so strong himself, don't you think, to have two women who influenced him so much?

Trefethen: And he liked the ladies anyway. He always did. The interesting thing about him, he loved to dance, too. And he was a big man and he was very light on his feet. He was a very good dancer. What do you think we should be covering between now and the time we finish?

LaBerge: Okay, well, you've touched on UCSF and Cal but not the other civic type things you've done like Mills College. I've got a whole list of them here. Museum of Modern Art, Oakland Symphony, all of those things that you've done.

Trefethen: All right.

LaBerge: Plus the vineyards and how you decided to do that. I have just a few follow-up questions about Kaiser. But you may think of things that we haven't covered that you'd like to.

Trefethen: Okay, yes. I'd love to talk about these things.

Building Oakland Headquarters

LaBerge: How did you decide to build the headquarters here and what were the negotiations like?

Trefethen: Well, we were in the Latham Square Building which is going to be torn down. I guess it's torn down, now, isn't it? Not Latham Square Building, but the Kaiser Building. Our original headquarters were in the Latham Square Building. And then we bought the Kaiser Building. I was up there on the top floor with Henry. I would look out the window and I'd see this Holy Names College area there. I said to Henry one day, "Mr. Kaiser, you know I look at that place down there. That would be a hell of a good place for us to build an office." And he says, "Well, why don't you work on that?" So I did.

LaBerge: But it was your idea.

Trefethen: Oh yeah. So, there was a realtor that was a big guy who's an Irishman, a wonderful guy. And he was Catholic. I don't know how I found him but he was the fellow that put together the deal between us and the [Holy Names] sisters. He was marvelous because he was fun to do business with. We worked out a very good deal for them and for us, timing and everything else. It

was two and a half million dollars or something like that. It was not a hell of a lot of money. It was a lot of money in those days, I guess. And so we bought the property and then we decided, well, now we're going to have to build a facility on it.

And then I put together all the requirements that we'd need for space and projected it over a period of time and so forth and so on by working with all our people. We decided to take on Beckett as the architect, Weldon Beckett. And he did a beautiful job on this building. But we had a lot of conversation about it, a lot of arguments about it because it's an arch, you know. One of our people, our engineers, said, "Mr. Kaiser, you know this is going to cost you a lot more money per square foot because it's an arch rather than just being rectangular."

"Well, how much more would it be, George?" This is George Havas who was bringing these things up. "Well, you go figure it out. I don't think it's going to cost any more money." So, George figured it out and when he finally got all through with it, the difference was negligible. And so we ended up building this building. He got the idea from the Fountainbleu down in Miami because that's an arch. So, we built this thing and it's proved to be a wonderful building, you know. It did everything that we wanted it to do and more.

The Ordway Building came up and you know, we did that through Beckett, too. And that was a different--that's really a better building from the standpoint of utilization than the Kaiser Building is. Of course, he wanted that to be named the Ordway Building because that was his first employee. So, it was named the Ordway Building. So, that's how that happened. It didn't take too long to happen either. We had a big question of what kind of a foundation we're going to put under this thing because of the water down here. It's a big floating pad, you know. It's a big floating pad down there. It's stood well under earthquakes and everything else and it's a very solid building. The university's got a big hunk of it now. They're very, very happy now. I've always thought that they ought to own it, which they may end up doing one of these days. I don't know.

LaBerge: Well, was there ever any question of you not staying in Oakland?

Trefethen: Well, we went through a period in the aluminum days when the aluminum business was the first international business that we were in. Somebody says, "Well, we ought to have our office

back in Chicago." Henry says, "Chicago? Why the hell would we want our offices in Chicago? I live here. Gene, you live here. Everybody lives here. And all our employees live here. We live on airplanes. We've got airplanes of our own, now. It doesn't make any difference." Well, that ended that conversation. So, there was no more conversation about that. Seldom.

Oakland is a very good place to be, you know. And when you think now of all the Asian things that are going on down in those markets over there, what could be a better place than right where we are, a good place for everybody to live. And San Francisco is a great city. So, it's perfect. He always wanted to live in Oakland.

Then Ale got interested in Lafayette. This is before--. Oh, Henry got to know Ale and Ale got us started on the Walnut Creek hospital, then got him started on a house in Lafayette. So, he moved out of Hadden Road where he lived for years and where I used to go up and play with Edgar. And we used to wrestle a lot together. And so he built this place out in Lafayette. But he always had liked Oakland, didn't want to be in San Francisco. He could go over there if he wanted to go over. He'd go over there for dinner, anything he'd want. "Why think of living over there? Why down the Peninsula? Why up in Marin County? Because Oakland is where I prefer to be."

He was a great guy. He had so many wonderful qualities, you know. But he was a dreamer. And one thing to dream, he says, "Another thing is you've got to be damn sure we can do one," he says. "Make them come true." So, that's Bessie and that's Ale.

LaBerge: How much more time do you have?

Trefethen: Well, I'm going to have lunch with Cornell Maier. Let me find out. About five minutes.

The Haas Family

LaBerge: So, shall we just finish up this tape? I have a couple of people to ask you about, people that you've probably worked with, like the Haas family.

Trefethen: I originally met the Haas family through Walter Haas, Sr., whose wife was Elise Haas. They're both dead now and were

wonderful people. She was a very, very strong woman, handsome woman, wonderful person and Walter was a loveable guy and great philanthropist. I met him on the board out at Mills College. He was on the board for a long time. Incidentally, his grandson Bob was on the board for nine years. And he now heads Levi Strauss and is doing a fantastic job. But anyway, Walter taught me many things, including philanthropy and how important it was and what a big responsibility a giver has. I've watched them with their procedures prior to making any kind of commitments and boy, they really do it right. And the whole family are that way. So, I got to know Walter very, very well. And through Walter, I, of course, met his family. And Wally was the oldest of the group. We'd have dinner together at the Haas's apartment in San Francisco.

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[Mrs. Haas asked Eugene Trefethen to join the Mills College board. -ed.]

Trefethen: "--I'm too busy." "You won't have anything to do." Well, she got me to go on the board and then they ended up making me chairman and all of that. But anyway, it was a very good experience. And my relationship with the Haas family continued. Walter, you know, he's always interested--today's Walter--in athletics. Knowing we were from the East Bay, why, he said, "Well, sometime, if you ever get an opportunity, if an opportunity comes up for some kind of an athletic thing, let me know." So, we let him know about the [Oakland Athletics] A's. [laughter] He ended up buying the A's. I said I'd take an interest in it, a small interest in it if you want. And so with Cornell and a few other people, he ended up by saying, "Oh, I want to have it--I think we're better off not having anybody else in it." He was only interested in doing it if he could get Roy [Eisenhardt] interested in coming over.

So, he ended up buying it. And as he says today, "Gene, you know for eight years when I was losing money I hated you. But now I love you." Well, now, I think he's in the process of wanting to sell the A's because it's too much of a headache for him. And he's getting a little older now. But he'll make a lot of money out of it, even though he's lost a lot of money out of it. But they say he's going to lose ten or twelve million dollars this year. No matter how much money you have, you don't want to keep losing money that way.

LaBerge: That's right.

Trefethen: So, then I got to know Peter [Haas] very, very well and Rhoda [Goldman] very, very well. And now, of course, I know Mimi,

Peter's wife very, very well. She came into the family in a rather difficult way. But she's made it with the family now. She's a very good worker, takes a real interest in things and is a producer and is a leader. So, the family has done an awful lot of things for this area, will continue to do so. And unfortunately, there are so many demands on them right now, UC's after them and San Francisco Museum is after them, Mills is after them, UCSF is after them along with a lot of other people. But, what they do, you know, that whole thing is privately owned. And they give all that money away. They don't spend a hell of lot of money themselves. And they do it beautifully and quietly.

LaBerge: Well, you want to end there and maybe next time start with your other civic activities and the vineyards?

Trefethen: All right. That'll be fun.

"Hobby Lobby" in Emeryville

[Interview 6: March 24, 1994] ##

LaBerge: In the last interviews, we've mostly covered Kaiser although I know there are reams more that you could talk about. I have a few questions on things we didn't cover. One is the Emeryville experimental division, the "hobby lobby" that I've only read a little about. I thought you might have something to say about that.

Trefethen: Yes. Henry Kaiser set this up with a young man by the name of Lindy Lindburgh. His name was Howard but we called him Lindy. And a very imaginative young man. It was out in Emeryville and it was just an open space where things could be developed, experimented with. And it became nicknamed "hobby lobby." There we experimented with the use of plastic. And all kinds of things, particularly automobiles. We experimented with things having to do with airplanes, single prop airplane with a pusher type of a propulsion. And we had an articulated bus that we were experimenting with out there. It was a fun project.

It really was stimulating to a lot of people. Out of it came some new ideas that we put to work. But it was an indication of Henry Kaiser and the things that really stimulated him. Nothing was impossible and he loved to create new ideas and new projects. And it was an

important division in the development of many of our industries that we became interested in and went forward in and were successful in.

LaBerge: How many years was it there?

Trefethen: I think we must have had it for four or five years, something like that.

LaBerge: In the late forties?

Trefethen: Well, yes, the late forties after the war when we were searching for new ideas and new products and new things to replace the chores and the energies that were spent on the war.

LaBerge: Did you also work on fiberglass there?

Trefethen: Yes, we did. And we established a relationship there with the fiberglass company. I can't remember that name offhand. But anyway, yes, we worked with them on developing products. They were very interested in having their plastics be utilized and all kinds of new products. But it was just a very interesting episode in Henry's life.

Speedboats

LaBerge: One of the things that we didn't talk about, too, that has to do with fiberglass is the speedboats. Where were those built? Or maybe it's more than speedboats.

Trefethen: Well, Henry Kaiser had a place up at Lake Tahoe. And he had some boats up there. They were Garwood boats in the main, pleasure boats. But Henry Kaiser always liked to speed and he got involved in racing up at Tahoe. And he was racing against Stanley Dollar, as a matter of fact, during the early days. It was a sport and it was fun and very competitive and so out of that came a desire to really develop a championship boat, which would be involved in national and international competition.

So from that, why, were developed a number of trial runs which ended up finally in a world champion winner called the "Hawaii Kai." It was painted pink and white and it became the fastest boat in the country. We started that out in Hawaii, I guess it was. And then we took it around and it was back in the Detroit races.

The man who operated that, who was the driver of that boat, was a mechanic of ours in one of our plants. And he was a world racer. But what happened was that he finally got into a crack-up at one time. And he ended up, thank goodness, being alive. But that was enough for Henry Kaiser. He didn't want to do anything more with that sport because he didn't want anybody to be hurt. So we just abandoned that, or he did. But it was a lot of fun while it lasted.

Safety in the Workplace

LaBerge: One of the things I read said that Kaiser Industries was the leader in health safety and affirmative action. And I guess, most people know it was in health. But I don't know if people would know about safety and affirmative action. Do you want to comment on that?

Trefethen: Well, being in a manufacturing business and also a construction company, there are certain aspects that are hazardous to one's health and to one's body. And so through our workmen's compensation programs, we protected ourselves against damages that would occur as a result of somebody being hurt. And as a matter of fact we owned, with the Bechtels, an insurance company called Industrial Indemnity Exchange. And it was very important to avoid accidents. It was a monetary saving, a major one. If you had a bad record, why, your premium went up. If you had a good record, the premiums went down. And so it was important to have a safe place for your people to work, in addition to wanting to have just that. We didn't want anybody to be hurt. But if they were hurt, why, it was something that was costly to us.

So, we set up safety programs at each one of our entities, each one of our plants. Every effort was made to avoid accidents through guards on gears and guards on belts and good, clean housekeeping around the work areas, anything that would cause explosions would be avoided through cleanups and protective devices and so forth and so on. So, that was something that was very important to our financial results as well as wanting, as well as being a good place to work.

LaBerge: Well, were you one of the first companies to do that, to have worker's comp, for instance?

Trefethen: Well, I don't know that we were but through our ownership in the Industrial Indemnity Exchange, we got involved in that

early in the game because again, if somebody had an accident, it was costly. And it was costly to the insurance company. We insured against those things through Industrial Indemnity Exchange. It was costly to the company, to the manufacturer. And of course, costly to the injured employee. So, this is something that became a focal point for us because it was basic in the business to keep everything, every place a safe place to work.

LaBerge: Well, along with that, people say that you and Henry Kaiser, too, were so good at keeping up the morale so that it was a good place to work for other reasons, too.

Trefethen: Yes, the housekeeping. I remember somebody used to complain from time to time to Henry Kaiser, "Well, that costs money, Mr. Kaiser, to clean it up." Well, he'd flare up and say, "No, no, no. The thing that's costly is a dirty place to work. And a clean place to work, a safe place to work is the lowest cost you can get from the final cost of producing a particular product." And at the same time, it was important to him that he have a healthy work force.

I think additionally, it was very important to the morale. We always had good morale in our various operations. People wanted to work there. They wanted to work for us. It was considered to be a good place to work and a healthy environment. And that became very, very important in the risk businesses that we were in. You know, the construction business is a high risk business. A lot of things can happen, accidents can happen. Scaffoldings can fall down. All these things that can happen. And it was terribly important to prevent any accidents from occurring. That, again, was a morale factor that we used to the point that people liked to work for us because they knew they were going to be working in a safe place. They knew they were going to be working with somebody who cared about them and their well-being and their health and their safety.

Affirmative Action

LaBerge: How about affirmative action?

Trefethen: Well, we did everything to anticipate a problem and to correct it before it happened. I guess that's affirmative action. And I think that we were conscious about our employees' families' health. That's one of the reasons why we extended on into a

public offering of Kaiser Permanente. We believe that that was important. The family of the employee was very important, that that family be healthy and be safe and also be prosperous. So I think that the net result of that was that again, we became a place where everybody felt we ought to be a nice place to get a job.

LaBerge: Well, did you actively recruit, for instance, women and minorities?

Trefethen: Well, we did but I guess we did it unconsciously. It wasn't an issue in the early days. But we lived in the Oakland area, for instance, which is a diverse area. And as a result, why, we didn't have any feeling against one race or another. Whether they were black or whether they were Asian or Latino, whatever it may be. They're all a part of the community and I think we felt that it was important to treat them alike. But there weren't any public programs like that going on in those days. It was just, you did what you wanted to do or what you felt was in your own best interest.

Business Decisions: Contracts, Investments, Benefits

LaBerge: Well, along with worker's comp, were you the one in charge of worker's comp and, you know, negotiating whatever contracts there were, and things like that?

Trefethen: Well, I don't think I was directly responsible for that. I was involved in the Industrial Indemnity Company as a stockholder in that. I was never involved in the running of that as such. Mr. Ordway was involved in that, our Mr. Ordway, for a long, long time during his lifetime. But it was a part of our operation. It was a part of our philosophy, part of our thinking and our objectives. I think that we all knew what we were trying to accomplish and we wanted our people to act accordingly, to administer the safety programs, administer the health programs, and to be good employers and to be a good community unit, wherever we were, whether we were in the metropolitan area or whether we were out in the sticks some place. We wanted to be a good community member because we made the community. So that was our heritage and the way we planned things and did things. And to the extent that I was involved in that, yes, I was involved in the planning and being sure that these policies were executed.

LaBerge: Same thing with retirement and pension funds and life insurance? I didn't know if you were the one who made investment decisions or if you wrote the policies.

Trefethen: Well, I was one of the persons who incidentally set up our mandatory retirement fund.

LaBerge: Oh, okay. Well, let's hear about that.

Trefethen: Well, I just believed that it was important that we encouraged the young people in our organization. And if we kept a lot of older people around, why, it would be a disincentive for the younger people. We wanted to get the younger people in. We wanted them to advance. We wanted them to carry responsibility early in life and to execute it well. And in order to do that, it was essential that there be a mandatory retirement program so everybody knew that at age sixty-five, everybody was going to be retired. So I set that thing up for our organization. And when the time came for me, why I had to retire whether I wanted to or not. And I did. I retired in 1974 and that's twenty years ago, you know. I retired then but I'm still sort of active.

LaBerge: I would say so!

Trefethen: But my job's changed. The jobs change. Retirement on the question of pensions, bonuses, stock options, incentive pay, all those things. We developed that through our fellow who was in charge of our overall industrial relations and his name was Todd Inch. He was probably my closest friend. He had the ideas and between us, why, we put them into effect. As a result, why, we had stock ownership and we had stock options and we had pensions and we had vacation policies and all these things that go to make--and management development programs and all these things that were necessary in our view to keep our organization tiptop and vigorous and young and aggressive and with a lot of open determination.

So, Todd Inch was the one who really stimulated us to getting it done. And we did it early in our career. And early, that doesn't mean nobody else did it. But we at least were in there in a broad way with all of our operations. We had all of them with all these programs in them. One of them was Kaiser Aluminum, Kaiser Cement, Kaiser Aircraft or whatever it was. We had these programs in effect.

Thoughts on Managed Health Care Today

LaBerge: Well, we're not going to cover the health plan because you've already been recorded on that. But I thought you might have some thoughts just now, as the nation is trying to get a health plan together for all and its lasting effect.

Trefethen: Well, it's, of course, on everybody's mind these days.

LaBerge: Right, I just heard it on the radio on the way here.

Trefethen: And the Kaiser Permanente thing is--some people call me the architect of that relationship between the lay organization and the medical fraternity or medical organization. And so I am still a board member of the Kaiser Foundation Health Plan and Hospitals. I've seen it develop from nothing to what it is today. And it's been a remarkable growth. It's in the forefront of the discussions today because it is managed care. And it is, today, the prime example. It's the largest and we think it's the best.

But anyway, it's a very effective way of taking care of the people, giving them quality care at a low cost. And so I've followed that through the years by being on the board and also, I have been a user of the health plan and my family have. And I've watched with keen interest--what's involved in the appointment process and the receiving of the patients at the clinics and the medical aspect of the thing and how it all works. It's been a marvelous evolution to a point now that it is very strong, financially strong and strong in its service that it performs. And it, of course, has a tremendous future.

But today, it's a huge thing, now. We gross--I mean, the revenues are in the order of twelve billion dollars a year and our cash flow is a billion and a half dollars a year. We have put that money back into new facilities as we expand and modernize facilities as we go. We have some 9,000 doctors today. I remember when we had a handful and when it was very difficult to get a doctor because we were not thought well of in those days, because we were known as production line medicine and socialized medicine. And the medical fraternity didn't look very well [on us]. As a matter of fact, they thought we were very bad people. But today, now, it's different.

Today, why, our doctors are--we are able to select the very best doctors because doctors now realize that going to work for Kaiser can give them security. We have pension plans

and we have retirement programs. We have a program where a doctor can really practice medicine while the clerical work is done for them. They have to, and they do, take time off for research in the universities in order to be right up-to-date on their practices and so forth. So, the doctors are a key to the program. Our doctors are of the best, you know. And we have to be that way because we have to deliver quality care. The fact that we have seven million members means that you've got to have an organization that can serve those people in probably the most delicate thing that you can serve them in. Namely, their health.

Then, in addition, we have all these problems where, with 70,000 employees, why, we've got problems with unions and all that. It's a very difficult thing to manage but we've been blessed with good management and as a result we've been very, very successful. So, I think today [1994] as we review what's going on with the so-called [President William] Clinton plan which as everybody's familiar with it and gradually its popularity--it sounded great at the first instance until everybody started to take it apart and find out how it was going to be financed and managed. The two things about it were basic--it would have to be managed by the government and would have to be financed by the government, which means taxation or some form of revenue creation because they wanted to extend quality medicine, the same quality to everybody whether they were in a group program today or whether they were people that didn't have any program at all.

So, this is a basic problem that is being addressed along with the preexisting conditions and all the other things that they want to take care of--give them dental care and mental care and all these things. And nobody can deny or question the objective but to question it, is it at all possible and if so, how do you get it done? I think the general consensus is that it all can't be done today. It's got to be a gradual thing over a period of time. And I think that's probably what will come out of all this, all the debate that's going on.

And in Congress, I think that the fact that Clinton has brought this up has been a great thing for the industry and for America because it's started a debate going. Everybody's conscious of it. It's sharpened all the people that are in it, including Kaiser Permanente. Everybody's sharpened to the objectives and nobody wants to say that they don't want to have universal coverage. Of course, they would like to have universal coverage. But at what cost and who's going to pay for it?

And in that regard, of course, we start with the fact that the bulk of the people now are taken care of. They talk about 37 million people uninsured. That doesn't mean that there are 37 million without health care. That means that just many of them haven't elected to be insured. But there's nobody that dies on the streets because of lack of care. They can go into any hospital. Any hospital has to take care of them. At UC San Francisco we now have a free surgery unit that we qualify for. And it's free surgery. These things are going on all over the country.

So, people are being taken care of but I think the question is, how do we do it better? "Better" means quality and costs. And question second is, how is it going to be paid for? And the Clinton proposal is mandatory that the small business pick up 80 percent of the cost of this. And this could be very crippling to our economy to do this. But out of it all will come some good. It won't look anywhere like what Mr. Clinton originally proposed. But it'll be for the good.

LaBerge: Do you think it will look like Kaiser?

Trefethen: One thing we want to be, we, in Kaiser, absolutely sure--we've got to be sure of. We've got to be sure that they don't do something inadvertently that would hurt us and hurt other outfits that are doing a good job of serving the people today.

LaBerge: Has anyone tapped you for your advice in all of this?

Trefethen: Not me, personally. But our people are constantly going back and forth to Washington. They're consulted with. They're in Sacramento as well because a lot of this may come out of the states. The states may end up doing a big part of this program. But, yes, they're very conscious of us and what we've done. But they want to control our rates and they want to control what our doctors earn. They may want to. That's what the point is. They may want to control it. If they ever start doing that, they'll destroy us because in order to get good people, we have to have competition. I was at my dentist the other day and took off on Mr. Clinton's program and he's not Kaiser Permanente. But he says there will be no incentive for any young dentist to get into dentistry if they know that they're going to be capped on--the government's going to run them. They'll go some place else.

LaBerge: Or do something else, maybe.

Trefethen: Yes, or do something else. So, it's a fascinating subject. People said well, what about the Canadian system? Well, the

Canadian system is in trouble now. And now that the spotlight is on it, it doesn't do all the things that people thought it would do. Hawaii's got a good system. And they're studying that. Oregon's got a good system. It's good. It's working for them, ostensibly. And that's being studied. But all these states are different, too. California has more managed care than any other state in the nation. But you go east and they're more fee-for-service type people and insured by insurance companies.

The government is after the insurance companies and they're after the drug people, pharmaceutical people. And that's just not right because if you do that, you kill the incentives. The pharmaceutical people spend huge sums of money on research. There's a lot of competition in the business. But the patent laws say they can only hang onto their thing for a limited period of time or whatever their product is before it's open to competition. But if you start regulating them, it's going to be very damaging to the long-term interests of this country. And that's what people are worried about. That's why Mr. Clinton's program has so many people against it. Because they're fearful of government financing and government regulation and government operation. It has failed miserably in most cases.

LaBerge: Well, let's go on. That was a nice little--

Trefethen: Plug.

LaBerge: Plug, piece. Well, let's go on to Kaiser and Kaiser's work in the community and then your own work in the community.

VII COMMUNITY INVOLVEMENT

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The Beginnings

LaBerge: You wrote an introduction to Robert Shetterly's oral history and talked about his and Clorox's involvement in the community.¹ What about Kaiser's involvement?

Trefethen: Well, our community policies go back to our basic business which was the construction business, where we went out into the country, out into the sticks, out into the undeveloped parts of the United States and also throughout the world. And we were the community. There wasn't anything else there. So we had to take care of ourselves. Boulder Dam, Bonneville Dam, Coulee Dam. We were the community. We had to set up the schools and we had to set up health care and we had to do all those things, take care of the people's safety, we had to guard against crime. So we started in life having to make the community. We were the community.

With that backdrop as we expanded and went into the metropolitan areas, we became very conscious of similar services that were being offered, whether it was schools, whether it was hospitals, whether it was the arts, whatever it was. We were very conscious of that and we became very supportive. Well, what do you mean by support? When our people really got in there actively and the management of those things. And also, we were very conscious about supporting them financially. With Oakland--Oakland is our headquarters.

¹ See Robert B. Shetterly, "East Bay Experiences in Corporate Social Responsibility," an oral history conducted in 1990 by Gabrielle Morris, Regional Oral History Office, The Bancroft Library, University of California, Berkeley, 1991.

And we became very closely attached to the community, starting with the Knowlands and Henry Kaiser and Bessie Kaiser, very close to Joe and Ellie Knowland. That was in the earlier days. Then came the Clorox days with Bob Shetterly. And Bob Shetterly was a very outgoing person who believed that Clorox should support the community in a big way and he did. And the Bechtels, Steve Bechtel, Sr. lived right across the street from us here. He was a great believer in the community. So, as a part of our executive responsibility, we had the responsibility of participating in those things in the community that we believed in. We worked at it and we made contributions, financial contributions as well.

Oakland: the Symphony, the Museum and Education

Trefethen: So, here in Oakland there was a symphony and Edgar Kaiser was very involved in that. I helped him raise a hunk of money for the new museum that's not so new now but--

LaBerge: What, the Oakland Museum?

Trefethen: Yes.

LaBerge: And it's wonderful.

Trefethen: I remember going after Max Thelen, Sr. at the Cowell Foundation for \$1,200,000 that was key to the furnishing of the building that was financed in another way. And that was a basic thing that led to the success of that Oakland Museum which has had a great long-going success. The Paramount Theater--we were very much involved in raising the funds to refurbish that which is now, of course, a very fine building and serves a great purpose in this community.

With the schools in this area, now--Cornell Maier, for instance, has always been interested. Cornell Maier is the retired chief executive of Kaiser Aluminum. He's been involved in K through twelve education for as long as I can remember. He works at it all the time.

I was more interested in higher education and worked at it very diligently while I was in the saddle. And ever since, I've been working in connection with the University of California at Berkeley, the University of California at San Francisco med school. I've been very involved with Mills College where I am a lifetime trustee, very involved in

Stanford. Strangely enough I was chairman of the advisory board of their business school for a couple of years and a member of the advisory board for seven or eight. Why? Only because it was a very good school and they asked me to help them with it down there and I did.

And then the hospital situation in this area, of course, has been one that we got directly involved in through Kaiser Permanente and we were very major in the care of people in this area. We, Kaiser Permanente, now takes care of one-third of the people in this Bay Area. The Bay Area being San Francisco, San Jose, Redwood City, Vallejo, you name it, the Bay Area. So that's why we got involved in it. We think it has been and is very important to our business, to our people which are our life blood.

That is why we do it and since I retired, why, I've spent most of my time on those things. But our people and our organizations that have carried on are also involved in it and I think that's very important in the development of one's business and in the development of the areas in which we live.

LaBerge: Can you tell me something about the New Oakland Committee?

Trefethen: That's relatively new. But I think Jim Vohs is on that. Jim Vohs is a graduate of UC, the head of our Kaiser Permanente for many, many years, now retired. We share offices here now, Cornell Maier, Jim Vohs, and myself. And all of us are involved--the three of us. That's what we do. We work on community matters that are very important to us and our organizations. It's very important in connection with the development of Oakland, you know.

I remember when we worked to get the auditorium named the Henry J. Kaiser Auditorium. I think I was the guy that thought that was a good idea, because I thought that Henry Kaiser had done quite a bit for Oakland. And it was very simple to do. It didn't take any doing. It didn't cost any money or anything like that. It was just an idea that flew because it was a good idea.

But the New Oakland Committee is one that was set up in order to encourage new business to come into this area. And it's been effective. It's a combination of industry people and city people and labor people. And it's worked.

LaBerge: Throughout the time that you were actively with Kaiser, did you do a lot of things with city officials?

Trefethen: Oh, yes, because they were involved in a lot of different things we were doing. We had to get permits from them and we had to work with them in connection with political matters having to do with the city organization, where they needed some help or we thought they were going in the wrong direction, whatever it may have been. Why, we maintained a very good relationship with the mayor and the city council and the city manager. And we did the same thing in San Francisco, the same thing in Piedmont or Alameda. I think that was important in being able to make a contribution to what is their responsibility, but they need some help from time to time, guidance. And sometimes you get into an adversary position. But in the main, why, it was working together to make for a better place to live and work.

Housing

LaBerge: Well, I have a quote from Edgar Kaiser. This was when he was chairman of [President] Lyndon Johnson's Committee on Urban Housing. He said, "Industry must help to meet the unfulfilled needs of the millions of poor Americans who live in substandard housing. It is not only good corporate citizenship and vital to national welfare, it's good business." I thought that that was just a wonderful testament of what you'd been saying, that the president would tap him, knowing that Kaiser was that involved in the communities. Were you involved in that?

Trefethen: Well, we brought a tremendous amount of housing, primarily with our partner Fritz Burns from southern California. It was low-cost housing. Well, you know, today those costs are not so low, but for the same house--. Housing was very important. That's the whole heart of a family and it is terribly important that be given the utmost of attention. In those days, we didn't have so much of an obvious need as we do today. Today, it's a bigger challenge because the problem is, how do you get affordable housing? Affordable housing in those days was one thing that's entirely different today. How do you get affordable housing? Everybody is really trying to figure out how to do that.

The problem is that the cost of land is higher than it was in those days. The cost of the financing of a program is higher. You can't do production-line housing. We tried that. It doesn't really work out because each lot is a little bit different and you have to design the house through the lot. There's an ongoing effort still today to get more affordable

housing in all these areas where everybody is in turmoil. They're fighting because of the increased cost of living. And so progress is being made in that. But it'll always be a problem.

And I remember at one point we were building kitchen cabinets and tubs and dishwashers and all these things, all with the idea of making a lower cost unit, you see. But there's a great mass of people doing that now, you know. Everybody's trying to reduce the cost of their products because that means more business and a better competitive life for the company and its employees. So I think that those goals are still with us today and will continue to be with us.

Now, there are people arriving and interestingly enough they're not really building very many apartments these days. People don't want to live that way, except temporarily. They want to live in their own single family homes. But the problem is, land is so scarce they've got to go far away and then they've got to commute. That's a cost that is very much a factor in our budgeting process. I think that the problems are still there and will continue to be there.

Now, we're trying to redevelop the urban areas because they're closer to the work force. But it's a--. And then you get into land planning and restrictions and all these things that the government is doing and so forth and so on. So, it's a complicated world, all of which adds to the cost of getting anything done. Life continues to be a challenge.

LaBerge: Were you involved in the East Oakland Development Center?

Trefethen: No.

LaBerge: No, okay. I guess Mr. Shetterly was. That's where I picked it up.

Trefethen: Shetterly had that. He's still out there and he's a great financier. He was in East Oakland. Now, what was the name of that place? What did you call it there?

LaBerge: East Oakland Development Center.

Trefethen: Yes, I think that's it. We put up some money for it. But it was his project. He was the one that created it and saw to it that it was managed properly and financed properly. It still is today and I think Clorox is still a major supporter of that.

Mills College Board

LaBerge: Well, tell me a little more about Mills College, how you got involved in that in the first place.

Trefethen: Well, first my wife went to Mills and so did my daughter. That's just as a backdrop about it. I was asked to go on the board by Easton Rothwell.¹ Just out of the blue he came in and asked me to go on the board. And I said, "Why?" He said, "Well, because we'd like to have you on the board. We think you could add something to it. And besides," he said, "your wife is an alumna and so is your daughter." And I said, "Oh, I'm too busy, I'm too busy, I'm too busy. I've got too many things to do and I can't take on any more responsibilities." He said, "Well, I think you can. And besides, Walter Haas, Sr. thinks that you would be a good board member." Well, I'd met Walter Haas, Sr. on one or two occasions. I always admired the man. Well, anyway, the net result was I went on the board.

LaBerge: Was that the magic word?

Trefethen: I went on the board and Walter Haas turned out to be one of my mentors in life, a wonderful man. He and his wife, Elise. She was a wonderful woman, a strong woman, a handsome woman, a beautiful woman in every way. And so I went on the board. I ended up being the chairman of the board for I don't know how many years. It was too long, ten years or something like that. I'm a lifetime member of that board. Things developed, change came over, went through the big push to go coeducational and a big push to stop that. And what's happened since then has all been for the good. I liked it because of what it was doing, and the people that were on the board. Easton Rothwell was a wonderful president, a good friend, a wonderful friend. And I felt we were doing something good, making a contribution.

Of course, that relationship with the Haas family spread from those early days to the point where my wife and I became very close to the Haas Sr.'s and to the Wally Haas's, Peter Haas's and young Bob. We've got young Bob Haas, who is Wally's son, to go on the board. He was on the board for nine years. And young Bob runs--you know, but he's not so young anymore--he runs Levi Strauss. And Levi Strauss's owners now are the Haas family, period.

¹ See Charles Easton Rothwell, "From Mines to Minds," an oral history conducted in 1984 by Malca Chall, Regional Oral History Office, The Bancroft Library, University of California, Berkeley, 1985.

They don't spend an awful lot of money personally. They just give it away. They've been very close to the University of California, very close to Mills College, very close to Stanford. They've been very close to the San Francisco Museum of Modern Art, the United Way, all these things. They just do a beautiful, wonderful job. And I've been blessed with having this friendship with them, which has gone on all these years.

And Mills is doing great. Jan [Janet] McKay is a new, relatively new president. She's doing a marvelous job. She believes in remaining an all women's college. Some people still wonder whether they can do that, succeed in that economically. And so far the answer is yes. We have been able to do some [fundraising]. We've got an endowment of 100 million dollars now and over the period of the years, we hope to build that up to about 250 million dollars. All aspects of being a successful college are involved in the long-term planning of the business, of the institution. There is no doubt that it has very good management now. And given that, they will continue to be an all women's college which fills a niche in our educational system.

There's a lot of people that want that kind of a relationship, feel it's more conducive to the development of women in our society, whether it's a family relationship or it's a business relationship, whatever it may be, or in government, women can be better trained to be leaders by going into an all women's college than to be in coeducation. And the theme being that the men dominate in the classrooms and as a result, the best is not brought out in the women. I've seen that work. I think that's right, in many places, you know. The other side is so many young people, they don't want to be in an all women's college. They want the men around, you know.

I remember when we made this decision to go coed, it was only after a two-year investigation of the subject in which Warren Hellman, he was the chairman at the time, engaged all these outside experts to come in and take a look at us. They recommended we go coed. The vote of the board was 19 to 6 to go coed. And then all hell broke loose when the students found out about it. We had that sit-down strike out there, you know. And Warren Hellman did a beautiful job. He was our leader. He put together a program which involved faculty and alumni that changed the economics of Mills College around to the point where instead of being a prospect that just wouldn't work, financially, to one that is working. And that was because people realized that in order to accomplish the objective of being an all women's college, we had to change the economics. And it was done.

We review this every year. It's been quite a few years now and so far, why, it's been a very successful program. I don't know any reason why it shouldn't unless we run into a period of time--you never know what may happen--where our management fails in some way. But with good management it will work.

LaBerge: Has enrollment gone up since then, too?

Trefethen: It has. This is interesting because there's a lot of changes going on in higher education, a lot of changes going on. And it's very competitive. But Mills is a very fine institution. And being a fund raiser--. We had that earthquake, you know, and it made Mills Hall unusable because of the potential damage. It's been shut for quite a while. We had a big debate as to whether or not we want to tear it down or rebuild it. And we set out to raise the money. It was 9 million dollars or something like that. The big opposition was that nobody thought we could raise that kind of money. The reason being that although we had a claim into FEMA [Federal Emergency Management Agency], or earthquake relief, that's the government agency that does this, we did not think we'd get very much out of it. The amazing thing is that we got everything we asked for from them.

And our alumni program went over the roof. We ended up with an extra 3 million dollars beyond the final cost of putting it back together again. But that was because, you know, there was a reason. It was an emotional thing. We've got to preserve this thing. We wanted to recreate it. And there was a very fine effort there and our people handled it very well with FEMA, too. FEMA has to be handled properly and with skill and so forth and so on. And our people did.

LaBerge: Wow. How are we doing time-wise, because I know you have to get on the road?

Trefethen: How about another fifteen minutes?

LaBerge: Okay, good. Do you have anymore on Mills that you want to say?

Trefethen: I think that's okay.

LaBerge: Okay. You were also involved with the Boy Scouts. What did you do for the Boy Scouts? Were you a scout yourself, as a child?

Trefethen: Yes, but I wasn't a very good one. My brother was. My brother was--he got all these--oh, my goodness, his awards are national

awards. But anyway, I always felt that the Boy Scouts and the Girl Scouts was a very good thing, a very good program. I followed their leadership and we had good leadership in this area. And so our various companies did support the Boy Scouts financially. But I never was involved in any of the committee work or anything like that.

The Bay Area Council

LaBerge: Oh, okay. How about the Bay Area Council?

Trefethen: Well, the Bay Area Council represents the nine Bay Area counties, business people. And it's been very successful over the period of the years. I was chairman of it for two years. Edgar Kaiser was a chairman. Cornell Maier was chairman. Jim Vohs was chairman. We've all, in the Kaiser organization, have supported this thing over the period of years because it was highly successful. And it was highly successful because good people in addition to us ran it and believed in it, whether it's PG&E [Pacific Gas and Electric Company] or Bank of America or Clorox or you name it. It was very well managed and supported because it did very good work to support the various projects that were important in our judgment to this nine-county Bay Area community.

We had a program where we had committee work. People would go to work on this. Much of it had to do with political aspects of the thing. Media work, we had media work to do, because you have to build up the community to recognize that we had a problem and this was something we could do something about. And here was a program to get it fixed.

We brought a lot of wonderful people to this community for our outlook conferences--we've had one a year--which had a big following of people. We always had at our annual events either the president or the governor or some political person of significance. And so it was something that satisfied all the business community because they got something out of it. It is a very fine institution today. It's been in existence since 1945 or something like that, a long time. And the fellow that runs that, Ang [Angelo] Siracusa--Ang is probably the best president, which means executive director, that any of us have ever seen. He runs it all, you know, and he does it beautifully and with ease and with great confidence.

LaBerge: But it's basically a business, a group of business people who are working, doing things in the community, solving problems that are there? How often would you meet?

Trefethen: Well, committee work is ongoing. And they have a staff that does the ongoing work. It's a big board. It meets probably twice a year. Executive committee meets monthly. I believe it's monthly. We have one banquet a year which is a big thing with the speaker and one outlook conference a year. But the thing that keeps going is the staff and the fact, you know, that they really have programs that keep it alive.

San Francisco Museum of Modern Art

LaBerge: How about the San Francisco Museum of Modern Art?

Trefethen: Well, that's an interesting one. That's an offshoot of the Haas family. I spoke about Elise Haas. We always saw the San Francisco Museum of Modern Art as her museum. And she asked me one day if I'd come in and go on the board. And I said, "I don't know anything about art, Elise. My wife does, but I don't know anything about it."

"I know you don't but I would like you to go on the board." She had good reason why she wanted me to go on the board. I finally said yes and before I knew it, I was chairman. Then, as chairman, you know, I was chairman for a long time. And then I realized that we had to have more space. See, we're in the Veterans Building there which is city-owned. The Veterans had the first right. We had the second right to the building. We tried expansion programs. We tried everything. And nothing would work. So, we were determined that we were going to get a facility that would take care of our current and long-term requirements. We got Gerson Bakar-- he was an art collector and developer, wonderful man--we got him to go on a committee which was charged with the responsibility of our facilities and our grounds and so forth.

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Trefethen: Gerson wrestled with the problems for quite a while. And then, at this time, why, Brooks Walker was the chairman. He still is the chairman. He succeeded me. And so unbeknownst to Brooks and unbeknownst to me, Gerson went out and in frustration at being unable to do anything with the facilities we had or expansion thereof, he decided to, well, let's try something

new. He put together this plan, unbeknownst to us, of a new facility down on Third, across from Yerba Buena [Center] and he had talked to the redevelopment agency that had that responsibility for the development of that area. He got an architect in and he got a sketch of the building. He came in and he said to Brooks and to me, "Look, this is what I think we ought to do and here's 5 million dollars to prime the pump for the money necessary to get it done."

LaBerge: Where did he get the 5 million?

Trefethen: He has it on his own.

LaBerge: Oh, it's his own?

Trefethen: You know what he did? That started the thing going and we had a committee put together that went after the architect and they finally found him. They went all over the world looking for an architect for this building. And they ran into Mr. Mario Botta. They decided this was the man. They saw some of his work over in Europe. He was from Switzerland. And this was the man, so they came back and said we recommend him. This fellow couldn't speak any English. But he was a very impressive fellow and he had a very fine, young interpreter. He was a presenter; he was a salesman. He had everybody sold on the idea so that we decided what we better do was, we better put him together with some local architect that knew all the zoning requirements and the ordinances. And we did.

Then we also ought to get somebody in to look over this overall project. We got the Bechtel Corporation to come in to coordinate the planning, the design, the detail and the building of the whole structure. And so then, we had this program together.

We went out to get the 85 million dollars necessary to do the job. Of course, Gerson's 5 million was the beginning. The trustees ended up putting up 60 million dollars, just the trustees.

LaBerge: Six-oh?

Trefethen: Sixty million dollars. And now we're at 86 million dollars, total. The building is nearing completion. It's spectacular.

LaBerge: I've seen it from the outside. And it is.

Trefethen: And it's even more spectacular inside. I think they turn the building over to the management of the museum come mid-year.

The big openings are going to be towards the end of the year, right after the first of the year. And it's going to be, it is a very exciting thing. Exciting because it's got location. We're going to have hoards and hoards of people going through there.

LaBerge: I think many more than go now.

Trefethen: Oh, yes. And it's designed so we can keep up our own permanent collection all the time. And we have room for visiting shows to attract the people in. It ought to be a tremendous success from a monetary standpoint. But I think we're going to raise a little more money in order to have enough endowment to ensure that we have the money necessary to support this thing in a proper way. The building is going to cost about 62 million dollars. The rest of it is endowment money. But we think that maybe we ought to have even more money than that to have it properly financed. So, we're in the process of doing that.

It's a very successful thing. The Haas family, of course, is a very big contributor to that, as are the Don Fischers of the Gap, the Schwabs, the Wattises, the Brooks Walkers, some others. They all have been marvelous. They wanted this. They're all art collectors. And so boom. It got done. And checking it out, I don't know that anything like this has ever been done before, where trustees have put up that amount of money to do it.

But it worked. We have very good management. We've got Jack Lane. We went headhunting for a director. And he, rightfully so, said, "I'll do this providing you people undertake to do two things: provide this new building and second, agree to have a certain percentage of your returns go toward the acquisition of new paintings." And he got those things, both things. And that's been very successful.

LaBerge: You're still an active member of the board.

Trefethen: Oh, yes. But Brooks is the one that runs it. The chairman of that thing is--I know, I was there. It takes an awful lot of time. And Brooks has been doing a beautiful job of putting this all together because under his wing has all this happened. And I've just recently set forth.

LaBerge: Wow. It must make your wife and your daughter happy to see you involved in this.

Trefethen: Oh, yes. I still don't know why I like that painting up there. [pointing] My daughter is an abstract painter, you know. And

I said, "I have to sit down. Now will you please tell me what I'm looking at?" I'll either like them or I won't like them. And I'll either like them because of the colors or the design or both. But I don't know what they are. But she knows exactly what they are.

LaBerge: Was that a good place to end for today?

Trefethen: I think that's a good place to end.

Fundraising for the University of California at Berkeley

[Interview 7: March 30, 1994] ##

LaBerge: Last time we were talking about your community work and we didn't finish it. One of the big ones has been the work for the University of California at Berkeley.

Trefethen: Well, I graduated from Berkeley in the class of 1930. I went to Cal because my father graduated from there himself. My two sisters went to Berkeley and entered before I did and subsequent to my entering, my brother entered. I was a member of the Chi Psi fraternity, serving as its manager one period of time and its president another period of time. And my experiences there were just wonderful. I met Edgar Kaiser when we both were initiated into the Chi Psi fraternity which started my lifelong relationship with the Kaiser organization and Kaiser family.

LaBerge: So, did that background, is that what prompted you to give your time, then, to the university now as an alumnus?

Trefethen: That is correct. Having had such a wonderful experience at Berkeley, which as I said included my sisters, my brother, my father. My interest in the university continued after graduation. I was very interested in sports and attended many of the UC games. At the time the University of California at Berkeley Foundation was formed, I was asked to be a trustee and served as such for many years.

LaBerge: Okay. Who organized that and who asked you to serve?

Trefethen: It must have been Roger Heyns, maybe. I believe I was asked to go on this foundation by Roger Heyns, the existing chancellor, and found that the work of the foundation was very rewarding. It has continued to be a successful arm of Berkeley through today, gaining strength with every year and has resulted in a

very important fund-raising organization for the private needs of the university at Berkeley.

LaBerge: That's its main function, isn't it? Fundraising?

Trefethen: Yes, the main function of the foundation is to raise funds for Berkeley. But the chancellors have always used it as a sounding board for ideas that they were considering. I think that's about all I need to say about that.

LaBerge: Yes, I have down that you were a president of the board and a member of its strategy committee.

Trefethen: Yes, I was a president of it for a number of years. I do not remember how many but it only is indicative of the fact that I did continue my interest in Berkeley up to the present time. Recently, I was asked to go on the cabinet--what do you call it? The name of the cabinet is the Chancellor's Campaign Cabinet. And the drive is for one billion dollars. The chairman of this new organization is Peter Haas.

LaBerge: When you raise funds, private funds like that, it goes to something different than the state monies, is that right?

Trefethen: Yes, as a matter of fact, the foundation has its own financial records and it has built a fund which is invested with advice from some qualified financial advisors. The funds are administered by the foundation until they have been used either at the direction of the chancellor or specifically designated, are dispersed accordingly.

There was one additional fund-raising effort that occurred quite a few years ago. It was the first major fund-raising drive. And this came before the formation of the Berkeley Foundation. It was headed by John McCone and myself. John McCone, having the responsibility for the drive of southern California and I had the responsibility for the drive in northern California. It was a successful experience and we went over the top which was gratifying and interesting to find out that we could raise money from private sources for a public university. And of course since that time, through the Berkeley Foundation, many dollars have been raised and now with the cabinet coming up after a billion dollars--

Oh, I've got to go back because there was another program that preceded this current drive. That was called the "Keeping the Promise" program which was 300 and some odd million dollars and it was headed by Ted Sanger. And we actually went over the top there, ending up with some 460 to 470 million dollars.

All these fund-raising programs have been successful. And it's very important that they have been because they are needed very critically these days when the university's main source of funds, the State of California, is cutting back due to the very critical need for funds in social programs in this state. This should be corrected, we hope, when the economy or as the economy turns around. And as we build in the public mind, the high priority that our university system is deserving of, because of its great contribution to the economic strength and growth of California.

Haas School of Business

LaBerge: Now, weren't you involved also in raising funds for the business school or was that part of one of these drives?

Trefethen: No, that was separate. The new business school originated many, many years ago in talking with Walter Haas, Sr., who's a loyal alumnus of Berkeley as all of his family are. He felt that we ought to have a new business school and convinced me of that. Our quarters were in the old Barrows Hall, which was very unsatisfactory and quite a handicap for the business school. Although in spite of it, they have obtained high standings nationally in comparison with other similar units. After the death of Walter, Sr., and as a member of the UC Business School Advisory Board, we picked up this idea. And over a period of years kept developing to design, finance, and build a new business school.

LaBerge: Were you in on picking out architects and things like that also?

Trefethen: Well, I was really responsible for putting the basic financing together. And I did this by working with Walter Haas, Jr. At one time, why, we'd thought in terms of raising enough money to rebuild Barrows Hall. But that didn't end up as a very good idea. So, we kept working on how could we bring about a project that would be self-contained and give us a fully integrated business school, including facilities for a refresher program for executives. And under the leadership of Steve White, who was chairman of the board at the time, we were finally able to put together all the parts that were necessary to bring along the project to its present stage.

We were able to select a site which is known as the old Cowell infirmary hospital site. We selected the architect who

was a Berkeley alumnus, a famous one, and a wonderful one by the name of Moore from San Diego. And with Wally Haas, we put together the basic starting gifts necessary to establish a campaign for the full amount of the money necessary, namely 45 million dollars.

The Haas family made the lead commitment and the advisory board set up a program to go after raising the rest of the funds necessary to start the project. These funds have been raised. The contract has been let. The building is coming along nicely and we hope to be able to move in, I think it's the end of the year. I'm not sure. It is a beautiful facility. It serves all of the requirements that one could think of for the business school. Its design was thoroughly done with a consultation with faculty, administration, students. And it will probably be one of the most beautiful buildings and effective buildings on the campus.

LaBerge: In that, like all these other things where you've raised funds, how do you inspire people to give?

Trefethen: Well, I think the Berkeley alumni are very loyal to the university. I think we have instilled in them over the period of the years a confidence in the university. They basically feel an obligation to the university for what they gained as a result of that education that we all received at Berkeley. I think that is the necessary base to a successful program. I think, also, the business community here felt the need of having an enhancement of their--with the Berkeley program.

So, the business community were supportive of the university and the idea of a new business school. The combination of business, private donors, some foundation support were all forthcoming and as a result, we have raised the money necessary to complete the building. We are, however, in the process, currently, of raising the money necessary to furnish the building. And that will be completed in ample time before completion. We've made a lot of progress on this to date. And we feel confident we will receive, we will obtain the rest of the money in time.

LaBerge: I know one person you have worked with on the foundation is Ann Flinn. She is very fond of you. She's raised funds for a couple of our oral histories and she's just a dynamo. And I was trying to figure out from both of you how some people can raise funds and some people can't. You must be able to inspire people.

Trefethen: Well, you know, it's fun. It's a challenge and it's fun. You meet a lot of wonderful people. You do get some disappointments from time to time. But overall, why, it's a challenge. And Ann, she loves challenges and I do. If you believe in something strong enough and have the enthusiasm and confidence in the project, why, it all sort of comes easy. You expose that to the potential donor and usually, why, they respond favorably. We didn't have very many disappointments in the drive for the business school. We set up a good organization and they were enthusiastic and effective. And that's the reason why we succeeded. [telephone interrupts]

LaBerge: You were telling me that if you have confidence in what you're raising funds for, enthusiasm, it's infectious.

Trefethen: Actually, on raising the money for the business school, [Earl] Budd Cheit was the vice chancellor for quite a long period of time and then was asked to come back as dean during an interim period when we were without one. He was a prime partner in raising all this money. He has got that enthusiasm and drive and knowledge necessary. And with that belief and with his personality, why, we really put together a very effective thing. But Budd Cheit was very important in this thing.

And I mentioned earlier Steve White was the chairman of the advisory board at a critical period. When he was in the design and planning period, he really was the driving force that put all the pieces together. And it was a terrible loss when he died but he was a very effective man and we were remembering him in our naming opportunities up there.

LaBerge: Was he a professor or was he a business person like yourself?

Trefethen: No, he was with the Bechtel organization. He was the president of the Bechtel Investment Company which is a wholly-owned subsidiary of the Bechtel family. He was, of course, a Berkeley alumnus. He had a lot of drive and being a business man, he was able to put together the pieces necessary, including the architect and the planning of it and getting the staff and the teachers and everybody together and the advisory board all going down the same path. But he did a beautiful job. And of course, so did Budd Cheit. He's a devoted Cal alumnus and teacher and president and everything. He's been everything. So, he's been a wonderful person. So, it takes a group of people to do a thing like this. And it was fun to be a part of that group.

United Negro College Fund

LaBerge: How about, while we're on the fund-raising subject, the United Negro College Fund. Did you head that up in Oakland?

Trefethen: Yes, I headed it up in this area. I can't remember who asked me to do that. But I did accept and we went to work on organizing a drive in this area. And it was a small campaign but it was successful and it got everybody in this area conscious of the United Negro Fund which assists various colleges and universities with the funds that they need-- private funds--to carry on and bring about excellence in their teaching. It was an interesting thing because of the fact that it was for the blacks. I learned a lot about the educational institutions, the very tops in this field in the United States. And again, it's a very worthwhile effort that continues on today and is successful in maintaining and building a strong organization, learning organization, for blacks.

I got somebody to replace me after that or after my term was running out. And he was with Levi Strauss in San Francisco, Bob [Robert] Grohman. He was the only independent that ever headed Levi Strauss. He was quite a fellow. He actually did a considerable amount of training of Bob Haas who now is the head of Levi Strauss.

LaBerge: Well, you've met so many people and worked with so many people all over the world. I don't know how you remember anybody's name.

UC Santa Cruz Foundation and UCSF ##

LaBerge: What about the UC Santa Cruz Foundation? How long were you on that?

Trefethen: I was on that for quite a few years. How did I get on it? Well, Joe Long of Long's Drugstores, he was a great Berkeley fan and he graduated from Berkeley. He and his brother Tom are both gone now. But I got to know Joe Long very well because he was on the Mills board for a while. And he asked me to finally go on that board down there. I said, "Oh, I've got too many things to do." He said, "Well, now, you just go on the board for me." I said, "Okay, I will." He and I raised a lot of money for Mills.

And so, I'm on the board [at UCSC] and it was a fascinating experience because it's one of those new experiments in education where they had--it was different than Berkeley and UCLA. It had all these separate schools. It's proven to be a very successful venture. But there were times when it was struggling and problems about it and they had changes in chancellors and things like that. Joe wanted me on there to work with him on this thing and so I did and we made quite a good contribution, I think, to the eventual success of Santa Cruz. Today it's a very strong unit of the system. I met interesting people. Of course, I knew Dave Packard before. But his daughter became a trustee down there and I got to know her quite well. Julie, she's quite a gal. She's the one that set up and I think she's still running the aquarium down at--

LaBerge: Monterey. Oh, really?

Trefethen: --Monterey. And she's quite a girl, quite a girl. So, then the other one is UCSF. I'm still very active in that. I was asked to go on that board by--I lost his name--many years ago. I did because of the fact that I was interested in medicine and also with the Kaiser connection. This is a great research institution and so I went on the board and I've remained very active for a long period of time and still am active today. We have there the board of which I am a member and then we also have a cabinet, fund-raising cabinet, which is headed by [A.W.] Tom Clausen, Bank of America fame. And we set out to raise 500 million dollars for them and we have 300 million plus now and we're in the process of raising the rest of the money.

One of the big problems that UCSF has is space. It's very difficult to get space in San Francisco. We bought the Laurel Heights facility from an insurance company and we're going to put research in there. For eight years they have been fighting neighborhoods and finally have given up on that idea after being in the courts for all this period of time. We're going to be using it for something else but not for the original purpose of what we had bought it for. It's very difficult to get land in San Francisco as large as we need. We needed about three and a half million square feet of space, projecting our requirements over ten years. And that's about what we occupy now over there between the facilities up on the hill and down in the Mission and San Francisco General and all over and Mt. Zion.

But that's a great institution because of its research work and the brain power that they've got there. My gosh, they've got brains and schools there that are second to none, any place in the world. And so we're in the process of trying

to figure out how to provide space requirements which we call the so-called second campus. But we can't expand anything more up on that hill because of agreement with the neighbors. We can't, we'd have a tough time getting through the initial stages or what to do about Mt. Zion which we bought. And then the initial stages we went through the courts and so forth and so on. Finally got permission to build a couple new buildings out there. One of them is coming down now. I do enjoy that because every meeting my, whether it was [Chancellor Julius] Juli Krevans and now it's [Chancellor Joseph B.] Joe Martin, they always brought in some of the key people in research work that they're doing.

And I remember the replant program. They brought in the chairman of the surgery and he was a fellow from an African country. He brought in the woman who was the head of the section on liver transplants. She was a forty-year-old woman, very good-looking, wonderful presenter. And she told us about how they started out, 80,000 dollars it cost originally and now they've got it down to 40,000 dollars or something. And they're replacing, replanting these livers right and left and she's one of the top authorities in the world on them, you know. Ash was her name, Ash.

And so again, UCSF, great institution, it's tied into its--it's very important in this medical research and teaching. It's a wonderful teaching school. Done a lot of problems, it's a challenge and it's something that I really enjoy, get a lot out of and hopefully make a bit of a contribution in return. So, that's about what that is. We got another fine chancellor in Joe Martin. Juli Krevans is still on our board; he stayed on a couple of years beyond his retirement. Well, they were looking for somebody. He found Joe Martin and brought him in really as the dean of the school and subsequently, why, he became the chancellor.

Hastings College of Law Board of Trustees ##

LaBerge: You were going to talk about being on the executive committee of Hastings College of Law.

Trefethen: Well, I believe it was on the board of directors--board of trustees. I was invited to go on this board by Morrie [E. Morris] Cox. Morrie Cox is a long-time believer in the UC system and developed into being a very close friend of mine. He was one of the founders of Dodge and Cox, a very successful

and outstanding, highly reputable investment advisor in San Francisco. Morrie asked me to go on the board of Hastings to assist him in building the board's effectiveness and doing a better job of administration of the activities of the Hastings College. This was in August of 1979. The dean at that time was a wonderful, wonderful man by the name of Anderson. Marvin Anderson. He was the dean and chancellor of Hastings.

Hastings is an offshoot of the University of California, a law school that has been in existence for a long time and has gained in its reputation over the period of many years. Hastings needed some fundraising in order to provide some of the facilities and funds necessary to augment the financing that came from the state of California. And we developed a fund-raising program that was successful in providing some of the things that have helped Hastings become a very fine law school in San Francisco.

Marvin Anderson was replaced by Dean Prunty. Bert Prunty. And he was a very successful, I mean, a very aggressive chancellor and dean. We found a bit of difficulty with him from time to time because of conflicts between him and the UC system. By that time we had quite a group on our board: George Coombs, who subsequently became chief counsel of Bank of America, and Ellen Newman, who is a very strong worker in the community. She's the daughter of--oh, who was that wonderful, wonderful man? Magnin, was it? Magnin.

LaBerge: Oh, really? Cyril Magnin?

Trefethen: Cyril Magnin. We also had John Sutro on the board, an outstanding investment banker in San Francisco of the Sutro firm. We had Tom Wilcox who was chairman of the board of the Crocker Bank. We had Mrs. Ralph Davies, Bob Lurie. And together we had a lot of fun.

LaBerge: Were you dealing with other issues besides fundraising?

Trefethen: Yes, we were because the problems that--Prunty, being an aggressive guy sometimes was a little bit overzealous in what he was trying to do. I can't remember just when I finished my term. But at one point, it became obvious to me and to Morrie Cox that this, our ability to serve, was diminishing and so we decided that we would let our terms expire. Since that time, I'm not up-to-date on just what has happened except on my information. Best information is that they have become a, continued to be a very successful law school. I haven't heard of any problems and assume that the difficulties we had have been corrected. I'm not sure what happened to Bert Prunty.

I'm sort of stammering about it because I can't remember what happened to him. I think I'll look that up.

LaBerge: Well, you could look it up and you could add it into the thing.

Trefethen: Morrie Cox would remember what happened to him. Morrie is still alive. He's in his nineties and a wonderful guy.

LaBerge: I have a feeling we have an oral history with him but I'm not positive. Were you involved in building the library there?

Trefethen: Yes, we raised the money for that.

LaBerge: That's what I thought. I thought it was that time.

Trefethen: Yes, we raised the money for that and we raised money for some of the interior improvements and redecorations.

LaBerge: It's had such an interesting faculty, I think, having retired lawyers come back to teach.

Trefethen: Yes, I might say I was very impressed with these people because they are--. For instance, one of them was Arthur Goldberg. And Dr. Goldberg one time was on our board, one of our boards of directors. We became very closely affiliated with him. He represented the Steelworkers Union and when we were in the steel business, we met him through that relationship and became very highly impressed with him and ended up with having him on our board. We became very close friends.

Incidentally, I was chairman of the executive development committee. I think, we [inaudible] called it at the time. And this was of the law center. That's right. We had a foundation. That's why we set up a foundation, in order to probably handle the funds for this effort and also to be sure that it was a tax-free organization that people were being asked to give to and did give to it. I think that I probably was on that board until 1988, towards the end of the eighties.

LaBerge: So, about ten years, maybe.

Trefethen: Yes, I think so. I was in there for quite a long period of time. They had a building there that was used for housing. I remember we raised the funds for it so that it could be refurbished. Housing for professors and students.

LaBerge: I didn't realize they had housing.

Trefethen: Yes, there's a tower there.

LaBerge: You know, I've read that about you is people think you have a legal mind. I know you, at one time, thought about going into law. You probably know enough and could practice law without having the degree, from all the contracts you've done and--

Trefethen: Well, I've been around lawyers all my life, all kinds of lawyers. It's not difficult to pick up from your friend's lawyers and also your antagonists. You pick up a lot about the law that sometimes maybe you think you do think like lawyers and other times you don't. So, that was Hastings.

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VIII TREFETHEN VINEYARDS

Finding Land in the Napa Valley, 1968

Trefethen: I was trying to remember the name of the fellow that introduced me to the grape and wine business coming down in the car this morning. And he was the one that ran the pipe company that we bought, Kaiser Steel bought the pipe company from him. Al Streblow of Basalt Rock. This man started out as a truck driver for Al Streblow and ended up running the business for us for many years, very successfully so. I decided that I wanted to sell our place out in Walnut Creek, which was a retreat. It was 135 acres of walnuts. I felt that it was a retreat and a place to retire to, but the developers became so intense around us that we finally decided it was no longer a place to retire to. And its desirability as a retreat was diminishing as the people swarmed in.

LaBerge: Was it off of Ygnacio Valley Road?

Trefethen: Yes. And so when we decided we would sell it, one day I was talking to--Ernie Ilsley was this man's name. And he was born in Napa and knew everybody and he said, "Why don't you come up to Napa and buy some grape land?" And I said, "Well, maybe, see what you can come up with." And so he, within a very short period of time came up with suggestions of two pieces of property that were contiguous in the southern end of the valley. We ended up buying both of them. But Ernie is gone now. But he was a wonderful person and he knew everybody in Napa.

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LaBerge: Why don't we continue how you got into the vineyard. Was Mrs. Trefethen interested in buying grape land also?

Trefethen: Well, yes. We were unclear what we wanted to do. We thought at one time that we wanted to find a cattle ranch someplace. But then we realized that because I was still very, very busy in the Kaiser organization that if we were to do that, to get any use out of it, we'd have to have a helicopter because it would be too far away from the center of activities. Walnut Creek was minutes away from my office here in Oakland. And we wanted something comparable.

Well, anyway, when Ernie came up with these two places, we went up there and took a look at them. It was obviously a challenge for both of us because on the property was a home built in 1920 which we redid and is where we live now today. And also on the property was an old winery built in 1886. It had not been used for fifteen years as a wine-making facility. And the house hadn't been lived in for eight or ten years. So there was really a challenge to take it over and build it into a very beautiful place which it is today. The house was a very good structure. The garden had prospects. There were some wonderful trees around there. Mrs. Trefethen being a gardener, she really took this on as a challenge.

We took a three-acre piece of the land which surrounded the house and the old barn which was used for that--horse power was what they used in the early days on the ranch. So we fixed everything up around there and over the period of time have made it more into a facility that can be used for entertaining which we use because in the wine business there's an awful lot of entertainment. Mrs. Trefethen developed a beautiful garden and she now continues to run a garden class for people up there in the valley and they come down to our place and we also go to their places. And they're really students on gardening and very good people to exchange ideas and have a lot of fun and also do a lot of good.

The old winery which was built, as I said, in 1886, when we originally went in it, was really all worn. Structurally it was pretty good except it had a couple of low points in the foundation which we subsequently built up. We rebuilt it into a very fine building because of its age and it was of wood and it's a beautiful structure in itself. So it was the nucleus of our going into the wine business.

Going back to the purchase of the two properties, the one property, main piece of property, had grapes on it. The second piece of property, which was contiguous, didn't have grapes on it. It had hay and apples and things like that. We pursued the purchase of additional properties. We ended up with an additional eight pieces of property so that in the aggregate,

we have 600 acres of grape land. Only the original piece, which was about 250 acres, had grapes on it at the time. All the rest of it was in apples and pears and peaches and hay and prunes, and all of that we've ripped out. We replanted it with grapes and we also replanted the original property.

Planting Varietals, 1968-1970, and Replanting, 1993-1994

Trefethen: Today, we have a very fine vineyard which grows Chardonnay grapes and Pinot Noir grapes and Cabernet Sauvignon grapes, Riesling grapes and Merlot grapes and did I say Pinot Noir? I think so, Pinot Noir. We worked very closely with the University of California at Davis in the planning and planting of the vineyards. We had to decided what varietals to plant and how many of each to plant. We did a pretty good job of estimating what the future requirements would be because the only grape that we did plant that we have since taken out was-- I'll come back to the name. I can't remember the name.

And all the rest of them are in there today except we are currently going through a replanting program, bearing in mind that we planted originally some twenty-five years ago because it was in 1968 that we acquired the two original properties. And our planting went through 1969 and 1970. So, all the grapes up there are twenty to twenty-five years of age.

We are in the middle of a replanting program where we will replant the entire acreage. Two reasons. One reason being that they are twenty-five years old and they've aged and as time goes on, while the yields start coming down and the new technology has improved to the point it pays to take out the old and put in the new. We're doing that now. That has been accelerated by the influx of a louse called phylloxera which attacks the root stocks and kills the vines. There isn't anything you can do about it except to replace the vines. It's a very costly procedure. And we're doing that over a period of four or five years and we've scheduled it out. We have to watch the vines each year.

Our objective is to keep our grape supply, of our own grapes, because we're all estate bottled wines. And it must come from our own vineyard. We don't want to run out of grapes. And so we balance the needs and the sources and decide every year what additional vines we take out. We've taken out about 125 acres now, including thirty-five that we are

replanting right this minute. And next fall, we will decide again what additional vines we should take out.

This phylloxera is something that's general to the valley. It's also now showing up in Sonoma County as well as Napa County. They have got some chemicals that are very powerful, very toxic. It's not practical to use them in a--we've tried it but you kill birds and things like that that make it not a practical way of handling it. So, everybody is going down the same path of just replanting, ripping out and replanting.

When we replant, we replant with higher density. I mean, spacing between lines is less than what they have been. The new trellis systems expose the grapes to the sun and the air more efficiently. And the result is that we get substantially higher yields out of the acreage, per acre, than we currently have. And so it pays to get this done. Incidentally also, the quality of the grapes tends to be even better than what they were before, so that the economics of the thing is that you have to replace them at some point. And when you do get them replaced, you've got a better earner than you had before.

So, as far as the grape business is concerned, Mrs. Trefethen and I didn't want to go into the wine business, but we knew that it was a possibility because of the grape supply and also because of the fact that we had a winery there.

LaBerge: Did you just plan to sell those grapes?

Trefethen: We did sell the grapes and we had a number of customers. An association was our principal customer. So it turned out to be a very good earner. Although we had thought that at some point we would get allied with the wine business. But we didn't know. But we decided we weren't going to do it until something came up that made it more sensible to do so.

John Trefethen Begins Making Wine

Trefethen: And that occurred when our son decided that he'd like to go to work up at the vineyard. This was in 1972 after he got out of the Stanford Business School and after serving in the service for three or four years out in the Pacific. I had always felt that he would be going under the Kaiser organization as did Edgar Kaiser. But he, well, it was interesting. At the Stanford Business School, they had a case system. He took on with four other boys the case study of the economics of a small

premium winery. He and the four boys came up to Napa and stayed in our house up there and did their research work. And they went back to Stanford.

So he learned something about the wine business. He, of course, knew something about the grape business because we were in it for all this time, well, about four years, at which time he was either in the service or subsequent to that in the business school at Stanford.

So, how did we get into the wine business? Well, it was interesting. John played around making batches of wine on an experimental basis in the old winery which hadn't been used for many, many years. Did we report on this?

LaBerge: No, we haven't at all. I mean, I've been up to the winery and you and I talked briefly in the beginning, but it's not on tape.

Relationship Formed with M&H

Trefethen: So, in 1973, it was, Hennessy-Christian Dior, it's really Moët Chandon, came to the Napa Valley to celebrate the purchase of some grape lands and the purchase of a site to build a champagne house in Yountville. I was in Japan at the time that they gave a party to introduce themselves--this is the French--to the Napa community, business community and wine-making community. This was over in Silverado. My wife heard about this and she got herself invited. She went over and she thought it was strange that somebody didn't do this for the French and that the French had to do it for themselves, to introduce themselves.

But anyway, she went. She met the head man from Paris who was a seventy-five-year-old wonderful man who put together the Moët Chandon and the Christian Dior perfume business, not the dress business, and the Hennessy cognac, into a holding company called M&H. This man was going to be honored at this cocktail party over at Silverado. So Mrs. Trefethen met him. He was a good-looking guy and was beautifully dressed and he was everything, you know, the picture of an entrepreneur, a European entrepreneur in the wine, champagne business.

She advised him to come over to our place to see our mechanical harvesters. So, he comes over a couple of days later. And in the meantime I had come home from Japan. So as

he came to the front door, why, Mrs. Trefethen and I met him, greeted him. And his calling card was a bottle of Dom Perignon. We took him around and showed him the vineyard and the mechanical harvester. He wasn't too interested in the mechanical harvester. But as we came by the old building, he said, "Well, what's that building?" And we said, "Well, that's the old winery." "Well, what do you do with it now?" "Well, it's idle right now." "Well, can I see it?" he said. So, sure. We took him in and there was still some remnants of a party that we had. There were some balloons hanging around and so forth. And he went through it and didn't say anything very much and we said goodbye to him and he thanked us for everything and so forth. So I go back to Japan, and I get a call from my son, John.

LaBerge: And you're in Japan for Kaiser.

Trefethen: Oh, yes. I used to commute to Japan. So, anyway, John calls me and he said, "Dad," he says, "I want to clear a deal with you that I think we should make with M&H." And I said, "What is that?"

"Well," he says, "it's a deal to sell them grapes for twenty years," which is a long time, a contract for twenty years to sell them grapes off a specific acreage on, I think it was, 155 acres of our 600 acres, and also to lease them the old winery building under an agreement where they would move in all their equipment for making wines and they would refurbish the building, the roof and the floors and the wiring and the piping and everything else. And we would have 15 percent of the output while they were in there and they'd have 85. And then, at the end of the period, when they moved out, we'd have an option to buy any piece of equipment that they put in there. This proved to be a wonderful thing for them and a wonderful thing for us because while they were building their champagne house, they were actually in production and selling champagne from our place. So, they got a head start on all the other champagne manufacturers in the valley. And they have come in since, you know. It's Domaine Chandon.

LaBerge: But they were the first champagne. Is that right?

Trefethen: They were the first. So they got a head start on everybody. That was very important in the marketplace, too. And so we learned how to make wine; John did. But John became a fast friend of the head enologist from M&H and who was a flier. My son was a flier, too. So, John soaked up all that he could from being around these people as they were making champagne, which they make from Pinot Noir wine, Chardonnay wine, and a

blanc of some kind that they use as a blend. So he learned how to make wine from them. And we started building our wine organization right at that time. We hired a very good man from the University of California at Davis who's still with us, been with us for twenty-plus years as our chief enologist.

We started in the business in a small way but having a big divisor, the divisor being the number of cases of wine that went through our place. It was a big number because the count was a combination of the requirements of M&H and our own. So, we never lost any money in the wine business, even in the starting up days. And as I say, they've got a head start on everybody. They were there with their first four releases coming out of our place. They gradually moved out and went to their new place and we continued to serve them with grapes all these years. We're still in an option period, the extension of the original contract. And it's been, as I say, a wonderful thing for them and a wonderful thing for us. So, our son is the one that got us into that thing. And how did he happen to sign?

LaBerge: I'd say Mrs. Trefethen did by going to that party. [laughter]

Trefethen: She takes credit for that.

LaBerge: That's right. I bet she does.

Trefethen: Yes, she had a place up there we call "Katie's acre." It's right in the middle of the whole vineyard. And it's got some huge trees on it. We were going to take them down, you know, and put in grapes. She wouldn't let us take them down. So we call it "Katie's acre." And everything is on that thing. It's huge, it's the center of everything, you know. We store stuff there. John had his hangar there when he had his smaller airplane, right there on the property. But that's "Katie's acre." She's been a powerhouse in our business life as well as our personal life. So, that's how we got in the wine business.

And it's a tough business. It's highly competitive. Quality is everything in the business we're in, which is the premium business. And no shortcuts. But the challenge is in the marketplace. Given the quality, how do you compete in the marketplace? And we're, of course, all over the United States and we're also in the Asian market and the European market and South American market, Canadian market. We're not large but we're a good-sized premium winery and as such, why, we reach out all over the world for our business. John just got back from Beijing where he was setting up some new distribution in

China which really is an offshoot from our distribution that we have in Hong Kong and also in Taipei and Japan.

Choosing a Name and Marketing

LaBerge: When did you first call it Trefethen Winery? When you first started with M&H?

Trefethen: Nineteen seventy-three, John came out with a product that we didn't even have our own name on. And we wanted to be careful what we put our name on. We developed some very good wines. They were sold on a limited basis, all during the time when Moët was in there, you know. Theirs was a big operation. Ours was a little fellow. And then as time went on, of course, why, we developed our own brand name.

I remember when I got to the point of wanting to put our name on it, I was sitting on the board at Clorox and I had gained great respect for them in the consumer product business, which we were only in a very limited way in the Kaiser organization. But I was on that board. Bob Shetterly was the chairman of that board who was sent out here when Clorox was spun off from Procter & Gamble. It was a part of an antitrust thing. He came out here with the Clorox brand, and built Clorox into a huge outfit today which is now a diversified household products company. He did a beautiful job on developing that thing and still is alive. He stays out at the Claremont now when he's here. But his basic home is in the East.

But I went to them and said that we're in the process of putting our name on this bottle of wine, these wines that we're making and would you put it through your test procedure? What do you think we should do? Should we use the name Trefethen? If we don't use Trefethen, what name should we use? How do we handle this? So he put it through their test procedure where they have juries and all this stuff, you know, that they go through. Out of it came a recommendation that under no circumstances should we use the name Trefethen. People couldn't pronounce it. "Some day, maybe, you could put that name on it, Gene, but don't start out that way. You'll never make it. Your troubles will be compounded." I said, "Thanks for the advice." And I talked to my son John and John said, "We're going to put our name on it, Dad, period." So we did.

I keep telling the Clorox people that and they now tell that story to everybody because it's, of course, been a very

fabulous--well, it's been a great success. And the name Trefethen is--I remember, I always had a terrible time with it when I was in the saddle at Kaiser, you know, because people couldn't pronounce it. Telephone operators would butcher it. Oh, it was terrible.

LaBerge: You had to spell it, probably.

Trefethen: Oh, terrible. After I got in the wine business, everybody seemed to be able to pronounce it. And so it's been a good name and continues to be a name that is very important. We now have a second label which we call Eschol which also is very successful. Of course, it's under our name but the brand name is Eschol. That's a lower priced wine. And it's a damn good one. It's like Mondavi. Everybody thinks of Mondavi of wine, you know. But their biggest brand is Woodbridge, you know.

LaBerge: Oh, I didn't know that.

Trefethen: Oh, yes. By far. And that's where they really make their money.

LaBerge: I've read something on how you got that name Eschol, but do you want to say for the tape how you picked that name?

Trefethen: Well, it's a Biblical term. That's where they sent Caleb and the other one. I can't remember the other one, out to look for grapes. And they found grapes and came back, the two of them, with a big pole between their two shoulders. And hanging from that were all these grapes. I call it a bunch of grapes in Hebrew and my wife says that that isn't the way to do it. Well, it's a Biblical term [referring to an immense cluster of grapes].

LaBerge: Didn't the former owners use that name or am I wrong?

Trefethen: There was a Jewish family, a banker, by the name of Goodman who originally set up the ranch and they sold it to somebody by the name of Fauver which is French. He sold it to a fellow by the name of Scillings, who's British. And we bought it from Mr. Scillings. He got to a point where the whole family was living off this ranch and he couldn't get any money to put back into the business. It was going downhill. This was the grape business. So we bought it from him. He was a very fine fellow and a good person to do business with. It was nice that we weren't mislead in any way by them because he was one of those honest guys that we like to do business with. I guess this isn't the one that describes Eschol. [looking at pamphlet]

LaBerge: You know what, I may have read it when I was up there [at the winery] because there were little plaques around.

You started talking about the importance of marketing.

Trefethen: Well, we set up an arrangement with Schramsburg. There's a champagne house, a good one up in the Napa Valley headed by the Davies family. Jack Davies used to work for us in Kaiser Aluminum years ago. And they are a very fine name in the champagne business. We set up an organization called S&T which was charged with the responsibility of selling both of our wines in California. We got economy of scale by so doing because they complemented one another and the salesman would have two products to sell when he walked into a bottle shop or a restaurant. In California, we go directly to bottle shops and restaurants and chain stores through this organization. Out of state, we made a similar deal with Cliquot. Cliquot was an offshoot of Moët Hennessy--

Running the Business

Trefethen: Well, anyway, it's a fine name in champagne. They've been very successful at distributing our product and theirs throughout the states, other states of the union. Janet Trefethen handles the European business through a group of distributors. And John handles the Asian business through a group of distributors in the Pacific Rim. So we have good coverage.

We do not do any advertising. We do quite a little promotion. We go to tastings and set things up like that. We have them up at the winery. We have our distributors and our restaurant buyers come to us from all over the world. We have a couple of guest houses up in Napa that they can stay in. We are able to do very effective sales work that way.

But one must get out there and get the order. You have to go out in the business and you go to the bottle shop. You go to the restaurant. It's better that we do that directly, which we do here in California. Cliquot, on the other hand, they have to go through distributors which makes sense. It's the only way to do it. But here in California, where it's more concentrated, why, we can go direct without going through a distributor. But we do have our own S&T organization. We have a lower cost by so doing. And we get a better result because that personal contact is very important.

LaBerge: Now when you went into this, did you intend to personally be so involved in the business?

Trefethen: The great thing was, you know, it was fun and it wasn't a full-time job. And we had Tony Baldini. Tony Baldini has been our ranch manager from the very beginning. We brought him up from Walnut Creek. He lives on one of the houses that we bought when we put together this ranch up there. He has eight kids. One of them works for us full time. He's now our foreman in the field. He speaks beautiful Spanish. He's a foreman in the field with the Mexicans. The oldest brother works for Southern Pacific but he works part time at our place. He works on Saturdays and Sundays at our place in the wine shop. And another son did work for us. He's a builder. But he's not there now.

All these people turned out to be very fine people. There wasn't a bad egg in the bunch. That's because they're a highly disciplined family. I guess when you have eight kids, why, you've got to have some sort of order. As you look at Joan Baldini, you wouldn't think she had one. She's got a very cute figure and here she's had eight kids and you wouldn't know she's had any at all. But anyway, that's that.

LaBerge: Who is your enologist? We didn't mention his name.

Trefethen: David Whitehouse. My involvement has varied from time to time but as a grape grower, it didn't take very much time. Tony was running it at that time. When we got into the wine business, why, of course, we had John. John took a lot of responsibility in that and subsequently took on the responsibility for the whole thing. He's president of the company and he's chief executive officer. Janet Trefethen is a very important part of the organization. She's in charge of merchandizing overall. We had a national sales manager who's responsible to her, the California sales manager who's responsible to her. And she supervises all the marketing activities for the company and is very, very good at it.

What do I do? I'm the chairman of the board, I guess. I spend Mondays up there with my son, John. And otherwise, why, it's over the phone or whatever is necessary because I still come down to my office here in Oakland although I live, now, in Napa. I come down here on Tuesday, Wednesday, Thursday, and Friday if necessary. But usually, I'm to a point now where I'm three days in Oakland and four days up there.

LaBerge: Are you the one who helps set up the financing and the books and things like that?

Trefethen: Oh, yes. And that was a small operation. It wasn't difficult, you know. I got plenty of help when I needed it from people. On the financial thing we have our John Kerns, a man that's been with Kaiser for many, many years while I was there. He spun out and set up his own business. He's our accountant and auditor and financial head guy. He's stationed here in Kaiser Center. And he handles us part time. He has his own business which is private. He does very, very well with it and if I have some financial thing that has to be done, he can get it done.

Well, that's the winery. It's a very competitive business as I've said. It's very difficult to make any money out of it, because so many people get into it, you know. Some of them are into it for fun or get into it, don't understand what they got into. There's been a lot of failures in the wine business over the last few years. We're going through a shaking out period, I think, which is a good thing for the industry. And that plus the phylloxera thing, why, the atmosphere about the industry is not too good.

For instance, Mondavi for years has been a private company and then last year they went public and sold off about a third of their business, I believe, to the public. Their stock dropped down to a third from the issuing price. But it'll mature in time. And you know, they had to go through the shaking out period which is going on now and the stronger will be stronger and the weak will be either struggling or will be gone.

LaBerge: But you're weathering it just fine.

Trefethen: Oh, yes. We're weathering it just fine. But we've got to watch our costs and we've got to watch our quality and we've got a fine organization and it's got a great morale and they're of the best. There's no doubt about that. Now, where are we?

LaBerge: How are you time wise?

Trefethen: I want to find out. [interruption] I was thinking this morning about my life, being born in Oakland. My father was born in Oakland. I lived on 291 Jayne Avenue which is up the street from St. Paul's Church. Then when I got married, we were at 492 Staten in an apartment house. And we were there for a couple of years. And then we were married in 1937. In 1939, we bought a house on Contra Costa Road, which is above Claremont Pines. Mrs. Trefethen was pregnant and we moved into the house and she moved into the house from the hospital. It

was beautifully timed. [laughter] With the baby. Then we bought the North 40 Ranch which is out on Walnut Creek.

We were married in '37. We moved in 1939 into the Contra Costa house. Then we moved from there into the Piedmont house in 1950 and we stayed there until 1975 when we moved to San Francisco. And then we moved up to Napa for good in the beginning of this year. But originally, why, we went up to Napa in 1968.

LaBerge: That's a lot of moves.

Trefethen: Not too many. See, being in the construction business, many people around here just move all the time, all the time. They used to say about me that I was still in Oakland. All right. Well, thank you very, very much.

LaBerge: Thank you.

IX FINAL THOUGHTS

[Interview 8: April 6, 1994] ##

Retirement from Kaiser?

LaBerge: Why don't you tell me how you've continued to be involved with Kaiser since you've retired.

Trefethen: Retirement was a naughty word with Henry Kaiser. He didn't believe in retirement. And he worked until he died. But I undertook to set up a retirement program for our entire organization as a part of our industrial relations program. We set up a mandatory retirement age of sixty-five. Henry said, "Well, all right, Gene. If you want to do that, go ahead. But you know I don't believe in retirement." Well, I believed in retirement but I didn't believe in stopping working. So when my retirement date came, which was in 1974, I had to retire. I had prepared for this--as far as our organization was concerned--and everything carried on smoothly without me. I retained an office and a secretary here in Kaiser Center.

Since that time, I have been involved in many ongoing community efforts which has been a lot of fun. And they've been quite successful. They've taken a lot of time and because of the responsibilities that I took on, they actually have become quite demanding. My calendar looks like I have measles. My wife keeps saying to me, "Why do you do this? You don't know how to say no." And I said, "That's right. If I have an interest in a project, a community event, or whatever it may be, I really find myself saying yes." And so it goes.

My Kaiser activities have been as a board member of Kaiser Foundation Health Plan and Hospitals. I have been that since my retirement. And I have, from time to time, assisted the ongoing Kaiser companies in anything that they felt I could be helpful on, whether it be in a community event or

participating in problems that originated during my time which involved litigation. I have found myself trying to remember back beginning in the thirties as to what happened on specific days and finding that it does help to have refreshers to help one's memory.

Litigation

LaBerge: Can you give me an example of that? I don't know if we talked about that on tape, or if you want to, about some litigation having to do with Australia or the cement company.

Trefethen: Well, yes, we had a fight, a litigation having to do with Australian bauxite contracts which we entered into when I was in the saddle. Litigation occurred over those and as a result of my being around and being able to establish what the intents of the parties were at the time, we were able to settle the questions, which was beneficial to both parties.

The other litigation that I was involved in had to do with the asbestos claims. This just had to do with Kaiser Cement Corporation which still is in litigation. And as we all know, this has been an unbelievably costly bit of litigation allowing everyone--not everyone, but involving--this is a national problem, in other words. I personally think it's been overdone. But anyway, we all know that asbestos has been taken out of buildings and pipelines and these things we replaced.

LaBerge: Is that where it was with Kaiser Cement, in the pipelines you built or something like that?

Trefethen: Well, it had to be--asbestos was used in building construction and insulating materials that were part of our business. We've not been accused of anything. At the time, nobody really knew what they were doing when the asbestos was being used. It was being used in our shipbuilding efforts and also in building construction, when nobody knew that there was any problem connected to it; not until it was discovered that this was a dangerous product did all this litigation come up. And then everybody's trying to collect from the other fellow. It's gradually being settled, little by little but it's still a very difficult problem for the industry.

The other bit of litigation that I'm involved in currently has to do with the toxic waste that was discovered on

the old shipyard at Richmond, in Richmond Shipyard #2. And of course, we were, at that time, really an agent of the government. We were on cost reimbursement contracts. And this is their responsibility but since that time, why, the property's been sold and resold. Some of the lawyers are trying to blame the other fellows for the cost of cleaning up the toxic waste which was a result of paint which had lead in it, painting the ships.

But after that period of our shipbuilding, why, other uses were put to this property by others. The indications are that some of these toxic wastes originated with them. So, it's quite a complicated thing. The lawyers are trying to find and orient people and the organizations and who might be or might not be responsible and so that's what I've been involved in there.

Ongoing Kaiser Relationships

Trefethen: On the ongoing Kaiser relationships with Kaiser Permanente, of course, I've been involved in that since the beginning when it was originally founded. It's been a very fascinating experience and one that I've been somewhat involved in. I get a lot of pleasure and satisfaction out of seeing the new developments that are coming along, particularly today during a time when health care is so much in the public eye. Our organization has grown tremendously and is highly successful and at times I sort of wonder at it because it's so huge and is doing such a great job for so many.

Thinking of it, as I do from time to time, if the country could only, over a period of time, develop ten or twenty or thirty of these HMO's as strong as Permanente, all competing with one another, then I would think that we would end up with a situation where there would be far fewer people that would have to be taken care of by some subsidy by the government. I would hope that out of all this current negotiation in Washington there will come some kind of a program that will encourage that, at least a part of a program of settling our health care problems in this country.

The other thing that I'm involved in had to do with the Bay Area Council which is a business organization of business people representing the nine counties of the Bay Area. I was chairman of that at one time as was Edgar Kaiser, as was

Cornell Maier and as was Jim Vohs. We all have been involved in it and originally, we were part of setting it up. And it's been highly successful since it started back in 1945.

It is an organization that thinks in terms and works in terms of programs that are in the common good of the nine counties versus say, a particular county or city. This is an area thing. It's been very successful and it's highly influential in being a means of business promoting what it thinks is in the best interest of the community. It's been well financed by corporations, well staffed and something that's been very interesting for me. I'm still on that board over there. I'm still on the committee that selects new members and it's really the nominating committee and officers of the Bay Area Council itself. I think I've mentioned UC, did I?

LaBerge: Yes, I think we talked about that.

Trefethen: Also UC San Francisco? That's something that still takes a lot of my time. Additionally, of course, as I've previously noted, since my retirement, I have spent more time on our vineyards up in Napa and our wine business, which is really run by my son. But I get involved with him from time to time and particularly on Mondays, we have that day set aside to talk about the business at hand.

Political Arena

Trefethen: Also, I guess I didn't mention that I do get involved in the political arena from time to time. I am a Republican and my father was and I've always been that. We were one of the people that started the Lincoln Club in this area, that is a Republican organization that has an upcoming meeting next weekend, the weekend after this, I should say, down at Pebble [Beach]. We've got many public figures and candidates and we address ourselves to seeking out and finding people to run for office and then helping them get elected. It's very difficult to get good people into government. We actually have a person who has the responsibility of recruiting people for various offices in government, particularly the lower offices that will lead to the higher offices over a period of time.

LaBerge: Lower offices like city?

Trefethen: City and counties and state officials. And this coming meeting, Pete Wilson is going to be there and [Senator] Ken Maddy is going to be there. In a Republican organization, why, in the main we have Republicans but we do address ourselves to the issues that are involved and take positions on those from time to time. So, we raise money for candidates and we raise money for issues. And again, this has been a very well-organized organization that has prospered over the period of years and has been very effective in seeing to it that we do our part in getting better people into the government and getting them elected and then hopefully helping them do their job better as time goes on.

LaBerge: Wow. No, you hadn't mentioned that before. Who else is in the Lincoln Club with you?

Trefethen: Well, the chairman today is-- [tape interruption]

Trefethen: --George Pfau. And the director is Maureen Ryan and she is a very capable woman. She's been there for a long time. She's also the recruiter. We have membership of about two hundred people. Again, from northern California and then the area is divided up into districts. There's a sub-organization in each one of the districts. Those sub-organizations address themselves to local issues and local politics and also have a better grasp of the availability of candidates to be supported by the organization.

LaBerge: Did you ever think of going into politics yourself?

Trefethen: No, I did not. I would be a very bad politician. I am afraid I would be inclined to get mad at all the accusations. And when you get mad as a politician, you lose. You can't get mad. I don't seem to get mad in business but I would in that thing I'm sure. [telephone rings] Does that cover it?

The Oakland Museum

LaBerge: That covers it. That covers a lot. Do you want to say something about the Oakland Symphony or Oakland Museum?

Trefethen: I might say this, that the Oakland Museum--we got involved with that because they wanted to build a new museum. And we, being Edgar Kaiser and I, got involved in it. And my part of it

involved getting a major grant from the Cowell Foundation through Max Thelen who was a senior member of our law firm and also the head of the Cowell Foundation. I was able to get him over there to take a look at the sites and the concept and we ended up getting a key gift from them which is a very important thing of 1,200,000 dollars, I believe it was. That was a lot of money in those days. That has been a very successful community effort that was designed by Kevin Roche and is a very outstanding design. It's proved very, very successful as a museum that's now known as the Museum of California.

Its only problem has been the fact that it's city-owned and city-operated and the volunteer groups, the association, have had troubles over the period of years and are working out the sum of the problems with the administration of the city. Hopefully one of these days, why, there'll be a way of working it out similar to what we do in San Francisco at the San Francisco Museum of Modern Art where the city owned the building and we leased it. And we were responsible in charge, of course, of what was a private venture as far as the museum was concerned in San Francisco. I think if there could be some arrangement worked out with the city to do the same thing with the existing Oakland Museum building, I think it would be very helpful and it would smooth things out. And they'd have less problems in the future.

LaBerge: There was just an article in the paper the other day about the new director.

Trefethen: Yes, I gather this man has been hired. He has a very good track record, having done a very good job down in Santa Barbara and particularly involved in raising money. Now, they've never really had an ongoing organization to raise money which you really have to do with organizations such as that. And this man hopefully will give them, the Oakland Museum people, the spark that they need and the financial help that they need in order to do the job that lies ahead and do it more effectively.

LaBerge: Were you involved in the white elephant sale?

Trefethen: No, no. Jim Vohs's wife was the one. [Janice Vohs]

LaBerge: She is active, I know.

Trefethen: She is the one that's been involved in it. Well, there are a lot of wonderful ladies that do that. Nobody's been able to duplicate that at any place that I've seen around the Bay. But they end up raising 4 or 500,000 dollars each and every year

from that. And it's always a result of the individual and combined efforts of these women who, one of which is Jan Vohs, and because of my relationship with Jim and sharing offices with him here, why, I hear about that from time to time. And I marvel at their success. Everybody else around the Bay Area also marvels. They say, why can't we do the same thing?

Finding Space for Kaiser Permanente, 1990s

LaBerge: When we were talking about your involvement with Kaiser Permanente, did you have anything to do with deciding, you know, whether to move to Emeryville or buy the Laney College property?

Trefethen: No, we hear about it on the board and that would be handled by the facilities committee on the board. But we really need this--need a good site. The Laney site was an ideal site but there were political reasons why that didn't work out. And Emeryville, now, is another opportunity that hopefully will work out. Oakland, however, has come in now with another possible location which has some appeal. But the strange thing is that in these urban communities, they get highly developed, it's very difficult to get a site and then to get permission to do the things that you want to do.

This is a current problem for Kaiser Permanente. They need this new facility here and interestingly enough, UC San Francisco needs a new campus as well. I think I spoke of that before but they're similar because how do you find a site? We have neighborhoods objecting. They object to the growth. They object to the traffic. They object to any possible hazards that might exist there. And it becomes very difficult to serve the people that we're really trying to do. You have to serve them in an area that's accessible and you can't put them out in Timbuktu because people aren't going to be able to go out there to get served.

LaBerge: And you're trying, I think, in both cases to stay in that city and be a vital part of the city whether it's San Francisco or Oakland.

Trefethen: That's right. That's correct. And sometimes we must recognize that the people that sometimes speak the loudest are not in the majority. So the problem is, how do you handle that politically and how do you decide what's the right thing to do.

Edgar Kaiser

LaBerge: Well, you've mentioned Edgar Kaiser sort of in passing in different little facets, but you haven't spoken a lot about him. Do you have any comments?

Trefethen: Well, I met Edgar Kaiser when we both pledged the same fraternity out at Berkeley back in 1926, which was the Chi Psi fraternity. We became fast friends and also we became co-workers because in college we worked every summer and every vacation for his dad. That was the beginning of a long-time business relationship as well.

Edgar Kaiser was involved more in the construction business than I was. He and Clay Bedford handled the Kaiser Engineers' early development and dam buildings whether it was Coulee Dam or Bonneville Dam and whatever the particular dam job was or construction job it was. I was involved more in the manufacturing operation, the cement, the concrete, sand and gravel, and subsequently this deal and aluminum and magnesium. And also following the Kaiser Permanente thing.

Then Edgar, of course, went into the automobile business after the war. During the war he was involved in the shipbuilding thing in the northwest. Clay Bedford was the one who did our shipbuilding effort in Richmond and this area. I was involved with Henry Kaiser on whatever Henry Kaiser was working on at the time. But my concentration was on building the cement, aluminum, steel organizations, concrete, sand and gravel, and also engineers during that period of time. Ultimately what finally worked out is that I was handling the operational end of the manufacturing companies except for Kaiser-Frazer. And when we sold Kaiser-Frazer, why Edgar Kaiser became involved as the chairman following Henry's death. And I became the president.

We worked together very finely over the period of many, many years. He was a wonderful guy. He was very community minded, worked hard for the community as I do or have and do. We worked together on some of them like the Oakland Symphony and the Oakland Museum.

And the symphony was something that Edgar got very closely involved with as its president for a long time and he raised a lot of money for the symphony to keep it going. I always used to say, "Edgar, we really ought to see if we can merge Oakland and the San Francisco, merge the two of them and

have one symphony to serve the area, because is there a way for two of them to financially be successful?" We never really put that thing together. And the symphony finally got into real difficulty after Edgar died. Subsequently it's been started up as sort of an East Bay thing, a different kind of a basis than it was before. I hear good reports about it but I'm not involved in that myself and haven't been for a long time.

LaBerge: Any other people you worked with that we haven't talked about, that you want to comment on?

Trefethen: Well, on this side of the Bay, a very community related fellow who is Bob Shetterly.

LaBerge: We've talked about him.

Trefethen: Did we? The head of Clorox for so many years. And I believe as I said before, he even came out here to set up Clorox after the product was spun off from Proctor & Gamble as a result of an antitrust action. He came out with a product and himself personally built a wonderfully successful and large organization. He was a very highly community minded person. He worked hard on it personally, supported things financially, personally through his business. He was a very, very important part of the development of the East Bay.

LaBerge: How about any mayors that you worked with?

Trefethen: Well, over the period of years, why, there's been. The first one--his name John Reading? I can't remember the first mayor that we worked with. But then the mayor that preceded [Elihu] Harris was Lionel Wilson. We became very close to Lionel. I think he, over the period of the years, did a very good job for Oakland. It is highly controversial but that's the political game for you. But I think in balance he did an incredible job as mayor of Oakland.

We were very close with him, particularly Cornell Maier became very close to Lionel Wilson. And then one time, why, people were trying to figure out a way for Cornell to run for mayor but he never quite decided to do that.

But mayors are very important, of course, in the community and their city councils, their supervisors, whatever they're called depending on the city that's involved or the county that's involved. It's very important for business to have an ongoing relationship with those people because their input is important and not only do the cities provide them

necessary services but the cities are dependent upon business for finances and taxes and all the rest of the things that are necessary to keep the community going. So, I think it's very important for business to have an ongoing relationship with the administration including the council.

Also I think the same thing is important in the state organization with the governor and with his people and with the legislature. I think that's terribly important.

Henry J. Kaiser Family Foundation ##

LaBerge: Were you involved in the Kaiser Family Foundation or are you still?

Trefethen: Well, I set up the Henry J. Kaiser Family Foundation for Henry Kaiser originally. And I ran it for many, many years. Much of the Kaiser family properties went in there, principally stock in the Kaiser companies. Our chore at the time was to set it up properly, legally and to administer it under the laws so that it would essentially be a tax-free organization. For many, many years we didn't really do very much except minor things with the funds that we had for gifts. But over a period of time as the values increased, it became more of a problem for us what to do with it, right.

We ended up by taking on a full-time director and he ran it for many years. We also got George Woods on the board. We became a major foundation as far as giving funds away. I think, why, today they're giving away some 20 to 25 million dollars a year. I went off the board in a period of time when the lawyers said, "You can't be running that thing, Gene, and run all these other things because there's a basic conflict." And I said, "Well, all right. I guess it's all right." I resigned and I wish I hadn't. But I did. I had plenty to do without worrying about that.

But anyway, Edgar continued on with that operation with George Woods. Over a period of time, why, the thing has developed to a point where there's a minority of Kaiser people on the board now. Edgar Kaiser, of course, died. Edgar Kaiser, Jr. was on the board and is off of the board now, as a program that was set up for rotating board members off. Henry Mead Kaiser was on. He's off. Kim Kaiser was on and he's just gone off the board. So, the new Kaiser people that are on, are

people that haven't really been involved in the Kaiser organization. Henry III which is sort of a cousin of Edgar Kaiser's kids has just gone on the board. Becky is on the board as is Carlin. But the family foundation is now really run by Drew Altman, who is the president and executive director of the foundation and it's an entirely new board of outside people. My relationship with them is that they do ask me to come once a year for an annual get together. And I do that, from time to time. But as far as having any influence on what they do, I don't have any influence on what they do.

LaBerge: The names you gave me, Becky and Carlin, are they Kaisers?

Trefethen: Yes.

LaBerge: Okay.

Trefethen: Edgar Kaiser had six kids, three boys and three girls. And Edgar Kaiser, Jr. was involved in the organization through a Canadian operation we had over the Kaiser resources which was in the coal business. But that business has been liquidated and he lives up in Vancouver now. Henry Mead Kaiser was with us at our organization but ended up setting up a venture capital organization that he's in the process of developing. And Kim Kaiser was the pilot and really is captain of, and still is, of Alaskan Airlines. So, it's too bad that the family ended up this way. But anyway, that's what happens from time to time. Really didn't have a strong person to succeed. And when the Kaiser family decided to voluntarily liquidate Kaiser Industries, then there wasn't any thread that tied them all together.

LaBerge: What's the thrust of the foundation?

Trefethen: Well, they're really now trying to help the government decide what they should be doing about their health programs. They do a lot of research work, which they make available to the government. They don't take any stands as such. They're doing a lot of work on AIDS and what to do about the AIDS thing. And then they have another unit that has a health program down in South Africa. All of these things are programs that they believe in, that they think are going to be of great service to our government and to South Africa. The things that we used to do, which was to help develop Kaiser Permanente, for instance, they're not doing anymore.

I think that time will tell whether they're on a program that really is going to be of lasting value. They think so for

sure. I was meeting with them just about a month ago and they were highly enthusiastic about what they were doing.

LaBerge: I've got a couple follow-up questions that we could finish. What advice would you give to a young person today as far as the kind of path to follow in life or what has made for a successful life for you?

Trefethen: Well, hopefully they come from strong parents that have given them a good training and background, discipline, and give them the will to work and the will to achieve. Terribly important for young people to get an education and to do everything in their power to take advantage of it, the opportunities that exist. And every able-bodied person can really get an education if they want to, no matter what standard of living their parents want them to be in.

I notice that 30 percent of the people out at Berkeley are working class. Did I read this right? Come from families of under 30,000 dollars of income. But they're entitled to it--if they've earned it, they're entitled and can get aid and work part time and put themselves through school. And terribly important that that is something that they take advantage of, our educational system, take advantage of it to the greatest extent.

I think it's important during college to get a working experience, of working, actually having a job, whatever that job may be. I think it's important for a young person that wants to be in business to get his undergraduate training and then to go into business. And then if possible, to arrange to come back and get a business degree in a graduate school of business. I think this is very important for a young person to have business experience before they go back to obtain their graduate work. That's recommended by all of these business schools now. I understand that Harvard does it and Berkeley does it and Stanford does it. They recommend that that's the program.

I think that it's very important for young people to get the message that they should give something back to the university that gave them something, that was of value to them over a period of years. I think it's important for the young people to understand the joy of giving and the joy of achievement. I think we have to let it--to the extent that they have an interest in this. They should develop it and take advantage of it. It does a great thing for the mind and the

body and I think that the importance of that through life never can be properly estimated. It's so tremendous.

I would think that it's important for young people to take an interest in government beginning at an early age. Certainly we learn about it in high schools and colleges, participate in it to the extent that one can. But understand it, understand by reading and other means of finding out what our international relationships and how important that is to our country and to them and whatever they may be doing. I think the political system is important to them, that they understand it and participate in it because only through their participation can it be developed or improved.

And I would hope that these young people would--I don't think they should necessarily be married but having a family relationship is terribly important to a rounded life. I know my family relationship has been very important to me and my success in business. And that goes two ways. A family helps me and I help them. And together you have a full life.

LaBerge: Anything you'd do differently?

Trefethen: I don't think so. I don't think that I'd redo anything that I've done. I made some mistakes I wouldn't have made.

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Berkeley, California 94720

BIOGRAPHICAL INFORMATION

(Please write clearly. Use black ink.)

Your full name CATHERINE ANN MORGAN TREFETHEN

Date of birth AUG. 26, 1909 Birthplace PIEDMONT, CA

Father's full name WILLIAM OWEN MORGAN LEANDRO

Occupation MANAGED FAMILY BUSINESS Birthplace NEAR PRESENT SAN
SARAH

Mother's full name ADPHIA VANCE MORGAN - WAS CALLED EFFIE

Occupation HOUSE WIFE Birthplace STEWART'S POINT, CA.

Your spouse EUGENE F. TREFETHEN, JR.

Occupation RETIRED EXEC. Birthplace OAKLAND, CA.

Your children CARLA JEAN TREFETHEN SAUNDERS

JOHN VANCE TREFETHEN

Where did you grow up? PIEDMONT

Present community NAPA, CA VALLEY, CA.

Education PIEDMONT HIGH SCHOOL, MILLS COLLEGE

Occupation(s) _____

Areas of expertise MY MAJOR IN ART COVERED THE WHOLE FIELD AND I'VE USED IT CONSTANTLY - PRESENTLY I GARDEN - FOR 15 YEARS I'VE TAUGHT AND RUN A

OTHER INTERESTS OR ACTIVITIES - GARDEN CLASS

I GIVE GARDEN TOURS AND SPEAK ON MY GARDEN SEVERAL TIMES A YEAR, FOR 20 YEARS

Organizations in which you are active _____

BIOGRAPHICAL INFORMATION

(Please write clearly. Use black ink.)

Your full name BARBARA MORGAN EISELGE

Date of birth MAY 29, 1912 Birthplace PIEDMONT, CA

Father's full name WILLIAM OWEN MORGAN

Occupation AGE. FAMILY BUSINESS Birthplace S.F. BAY AREA -

Mother's full name APPHIA SARAH VANCE MORGAN

Occupation HOUSEWIFE Birthplace STEWART'S POINT, CA

Your spouse MILTON DOUGLAS EISELGE

Occupation MIDDLE MANAGEMENT RAISER ALUMINUM Birthplace NEW YORK CITY

Your children HELEN FRANCES EISELGE OSTMAYER -

BARBARA GLENNIS EISELGE - WILLIAM DOUGLAS EISELGE

Where did you grow up? PIEDMONT - CA

Present community RUTHERFORD, NAPA VALLEY, CA

Education B.A. UNIV. OF CALIFORNIA BERKELEY, CA

AMERICAN ACADEMY OF DRAMATIC ART, NY.C.

Occupation(s) HOUSEWIFE

Areas of expertise VOLUNTEER WORK - WHEN IN PALO ALTO,
CHAIRMAN OF FOREIGN STUDENT VOLUNTEER PROGRAM

FOR PAST 20 YRS. RAN THE NAPA VALLEY COOKING GOOD
CLASSES

Other interests or activities SANG 15 YRS. IN CHURCH CHOIR
TAKING VOICE LESSONS ALL DURING THAT TIME - HAVE

CONTINUED DOING SMALL SINGING AND DRAMATIC PROJECTS
FROM TIME TO TIME SF CHAPTER

ORGANIZATIONS IN WHICH YOU ARE ACTIVE WAS ON BOARD OF, AMERICAN

INSTITUTE OF WINE AND FOOD FOR FIVE YEARS

AT PRESENT ON BOARD OF THE NAPA VALLEY OPERA

HOUSE

WAS CHAIRMAN OF NAPA VALLEY THEATRE CO. FOR ABOUT 2 YRS. 1973

X MORGAN FAMILY HISTORY

[Interview 4: March 11, 1994] ##

Interview with Catherine Trefethen and Barbara Eisele

Trefethen: This started as a result of a discussion we had in this office between Mrs. Trefethen and our son John, who had just returned from a motorcycle trip to Eureka. He went to the Vance Hotel because he knew that these two people [Mrs. Trefethen and Mrs. Eisele] had something to do with the Vance Hotel. So that started a dialogue that was marvelous between my wife Catherine and my son. I thought to myself, this is something that really ought to be put down on tape because it's a very fascinating story of their family, their family history going back to the Eureka days and the redwoods. So, with that, why, I shall turn it over to the sisters.

Birth in Piedmont Home

LaBerge: Could we start with where both of you were born?

Catherine T.: Yes. We were born in Piedmont in the house that was built by my mother's parents for them. We had a brother who was born earlier down in Oakland before this house was finished. He lived only about ten years. And then I was born in that house just after they moved in which was August 26, 1909. And then my sister, here, Barbara, was born in the same place in 1912.

LaBerge: So, you both grew up in Piedmont?

Catherine T.: We went to the kindergarten next door, the grammar school was one block away, and Piedmont High School was about three blocks away.

LaBerge: What street was the house on?

Catherine T.: It was 408 Blair Avenue. It was on the corner of Blair and Bonita Avenue.

LaBerge: And is it still there?

Catherine T.: Yes. At one time, just not too long ago, the mayor, the lady mayor of Piedmont bought the house. I don't know who owns it now. Do you?

Eisele: I don't either. Mother wanted to give it to the Piedmont Community Church but they were not able to take it. For what reason, I can't remember now. They didn't feel that they could take it on. And so for a period of a year or two, the minister and his wife and family lived there.

LaBerge: And your parents' names?

Eisele: Our father's name was William Owen Morgan. And he was Welsh. Mother's name was Apphia Vance Morgan, Apphia Sarah Vance Morgan. But she was called Effie. The name Apphia comes from the Bible, Genesis. Mother always knew exactly where and I--

LaBerge: You don't. [laughter]

Welsh Background

Eisele: She could quote exactly where. I don't remember. But our father's parents left the small town of Amlwch Port in the north of Wales and settled in the Bay Area.

Trefethen: Interesting that we built a smelter in Anglesey, in the same area--a huge one which is very successful and operating now, "we" being Kaiser Aluminum and Chemical Corporation in partnership with a British firm. Just a coincidence.

Eisele: Yes, so, where are we?

LaBerge: So, your father was born in Wales and arrived in California?

Eisele: No, he was born in California.

LaBerge: Oh, he was born in California, after. Okay, but in the Oakland/Piedmont area?

Eisele: In San Mateo.

Catherine T.: I thought it was on the other side of the Bay. I thought it was in San Leandro. [laughter] But anyway, on San Francisco Bay.

LaBerge: What about any stories you heard about his growing up or his Welsh background?

Eisele: He didn't speak any English until he was six years old when he went to school. He spoke only Welsh. And when we went back to Wales in 1924, he was so excited he was going to speak his language and he discovered that it was old-fashioned Welsh and they didn't really understand him. [laughter] It was such a disappointment.

Catherine T.: But he was also excited another time because one of his cousins, much younger than he, had been going to McGill University. He saved all his lunch money and came out to California to see us. And my father was so excited. That was interesting about that young cousin. Some American wanted to have people study air law. There hadn't been any. So, he chose one young student from France, one from Germany, one from Italy, one from the British Isles. And the one from the British Isles was his cousin from Wales. He was so excited about that. Anyway, they were sent to McGill University to study for a year. And he saved his lunch money and came to see us. We weren't married, were we? I can't remember.

Trefethen: I can't remember.

Eisele: I can't remember that either.

Catherine T.: I don't think we were. I think it was before that.

Eisele: He later became a judge in Chester.

Catherine T.: That was in England.

Eisele: It was in England.

Catherine T.: But we weren't married because we all went to Yosemite.

Eisele: That's right. Yes. The five of us went: Mother, Daddy, Catherine, David, and I.

Catherine T.: So that was very exciting.

Eisele: And we stayed in the suite of the president of Stanford who also had some connection with Yosemite. Tressider, was it?

Trefethen: I don't know.

Eisele: But it was the suite at the Ahwahnee Hotel. And it was really quite elegant. [laughter] We thought it was wonderful.

LaBerge: Do you remember the cousin's name?

Eisele: David Hughes.

Catherine T.: And there was one older brother and one younger brother.

Trips to Mad River and Other Points North

Trefethen: Now the family used to take trips together. I think you might be interested in that.

Catherine T.: You mean the girls, while we were growing up?

Trefethen: Yes.

Catherine T.: Oh, yes. Daddy always wanted to take us some place, every school vacation. Although part of the vacation we practically always went to the place in Humboldt County. The name of the river was the Mad River and so we called the house and the place we were going to Mad River. And that meant the house that my grandfather, great-grandfather had built. Typical of everything that happened like that, it was a copy of a New England house. Of course, later on, architects began to do things that were more California. But anything that's new, like the horseless carriage, and the first automobile looked exactly like a carriage. Things happened like that all through life.

Eisele: Also, our great-grandfather had come from Maine out here when he was a young man. And was, my understanding, shipwrecked on the coast of California right at Eureka. He was on his way on to Alaska.

Catherine T.: On his way to at least Seattle. But he was not from Maine. He was from Nova Scotia, which is British. He was British.

LaBerge: This is your maternal grandfather?

Catherine T.: Yes, yes. We used to go up to this Mad River house every summer. And then this hotel in Eureka, our great-grandfather built the first one and then it burned down. And did he build it again or did our grandfather build it again?

Eisele: I don't know.

Catherine T.: Anyway, it was the Vance Hotel. And that was my mother's maiden name. And then, when we had children, Gene and I, the first one was a girl. I was so excited about my husband's name, Gene, I wanted to get that in. But Trefethen was a very long and complicated name. I wanted her to have a simple name that ended in a vowel, so it'd be easy to say. So, I picked out Carla, which was pretty much like his sister Carol. Then we had--Terry, our first one. And then we had another son, our second one. We named him John Vance after our great-grandfather. Now going back to John Vance and getting shipwrecked in Humboldt.

LaBerge: So, your great-grandfather's name was John, also?

Catherine T.: Yes, John Vance. Everybody loved him. They called him Uncle John. He was the first mayor of Eureka. He built the first railroad. And he had the first--

Eisele: Lumber company.

Catherine T.: --lumber company which was near this house on Mad River which was inland a little bit from Eureka.

Eisele: That later turned into the barrel factory on the side of the house. We used to go there for lunch, remember, when we were children and the lumber men were--it was a big, long, wonderful long table. And the food came in those big, heavy white platters and bowls and you know, piles of potatoes and piles of vegetables, slabs of meat. That was my memory of it.

Catherine T.: But it wasn't a barrel factory. It was the logging camp.

Eisele: Well, here's where we differ. [laughter] That's what I remember. But you're older and you may know more than I do.

Catherine T.: Well, that's right. I'm almost three years older than you are. But I do remember. They were lumber men and that's why they had these huge meals. And it was such fun because every once in a while we'd be able to go on this track from the camp where we, where this house was, into Eureka. And it was one, we rode in the--what do you call the front of a car, or train--?

Eisele: The engine?

Catherine T.: In the engine room. But there was one log on the car, just one log. It was so big. Or we'd be there or in the caboose. So--

Eisele: Well, Mother always said that whenever they cut, they always replaced with another tree.

Trefethen: Very good practice. Be sure and tell them about the bet on the dinner table.

The Vance Hotel

Catherine T.: Well, I'll tell you. We also went up on Easter Sunday when we were children, with our mother and father and we had Easter vacation there. We went up to the Vance Hotel. The manager of the hotel was a great friend of us two little girls. Every Easter morning, we'd come down and there would be a cake box on top of the table with the lid down. And we knew it wasn't a cake. I guess the first time we were surprised. But every Easter, he did the same thing. It was a cake box with the lid down and we opened it up and there were newborn chickens, day-old chickens. We absolutely loved them. And we took them all the way home. And they all died. We buried them in the backyard. And then, six months later we had to dig them up to see what they looked like. [laughter]

LaBerge: And then you'd come for Easter again and the same thing would happen? You'd get the chickens?

Catherine T.: Seven years in a row.

Eisele: And we always stayed in room 207 in the hotel which had a wonderful big mirror with a gold frame. It was larger than life size, wasn't it? It was enormous. Or at least in my eyes it was enormous.

Catherine T.: And later on, we took the sign, Hotel Vance, which was halfway up the stairs, going up to the second floor. There was a sign that said Hotel Vance. And I think it was this way, vertical. We have it now, over in the winery. So, we're telling the truth.

LaBerge: Have you been back, for instance, to see room 207 or--?

Eisele: I have. As a matter of fact, there's a funny story about that window because I went back with a group of friends. One time we took the old train track up to, where's that first lumber company, on the railroad track, below Ferndale. I don't remember the name of it. Anyway, we used to go up there because they wanted to keep that railroad track going. So, we'd make sure that we went once a year so that they'd know that somebody was interested in it. It finally died out.

But we did go on, from there, on up to Eureka and I said, "Now, you all have got to go in the Vance Hotel with me." It was pretty run down by then. "You've all got to go with me." So, they all trooped in with me. There were four or five of them. And I looked around the lobby and I said, "This is where my sister used to run the telephone service. And this is where the cigar stand was that I ran and there was the elevator, then we took turns running the elevator." And then I said, "Now, we've got to go up to room 207."

The only handsome thing about that hotel was this lovely stairway going up. So, we walked up the stairway. And halfway up the stairway I looked over and there was this window that had the name Vance on it. And after we came back, I said, "Kate's got to have that for Johnny." So, I called her and she said thank you very much. And I didn't hear anything more about it. And then, I don't know, a year or so later, she said, "I want to show you something in the winery." So, we went in there and up on the second floor was the sign. She'd arranged to get it.

Catherine T.: It was somebody's son that got it, some friend of yours.

Trefethen: Nash, Beaver Nash, wasn't it?

Catherine T.: I think it was.

Trefethen: Now, your mother used to live there for a while, didn't she, in the hotel?

Catherine T.: Yes.

Eisele: Both in the hotel and out at Mad River--the other name for the Mad River place was Essex. That was the train station. It was east of Arcata.

Catherine T.: Which is itself, east of Eureka. I think even before Essex, it was the Vance station.

Eisele: Probably was.

Catherine T.: Yes, it was.

Eisele: Yes, it was the Vance. You're right, the Vance station.

Catherine T.: It was Essex much later, after all the family had left there. But it was the Vance station.

Mother, Apphia Vance Morgan

Eisele: And mother called it Memory Cottage.

LaBerge: Had she grown up in the cottage?

Catherine T.: Well, that was the third place. She was born on the coast of California.

LaBerge: Let's start with this. What was your mother's name?

Catherine T.: Apphia.

LaBerge: Oh, that's right. I've got that already. Apphia Vance Morgan. What was the name of the lumber company?

Eisele: Vance Lumber Company.

LaBerge: Okay.

Eisele: She was born at Stewart's Point.

Catherine T.: That's right.

Eisele: In a hotel, because her father had come down, had been sent down by John Vance. Her father was Edgar Vance. And he'd been sent down to study something about the lumber business down in Stewart's Point. Because that was also another lumbering center. They weren't there that long, as I

remember. But anyway, she was, as I understood it--am I right? She was born in that hotel which is still there.

Catherine T.: Then they went to that place near Vacaville, Elmira.

Eisele: Is that when they went to Elmira?

Catherine T.: She was a young girl when they were in Elmira. And she had a younger sister. They grew up in Elmira on this little farm. We used to go there, too, later on when we were growing up, because that was another place. My grandfather took care of all the things that his father had bought, right? Or did he buy them?

Eisele: I think he bought some of them.

The Lumber and Mining Business

Catherine T.: Edgar Vance was Mother's father. John Vance was her grandfather. And there were all these things. There was the hotel in Eureka. And there was the ranch and the farm, actually, in Elmira which is near Vacaville.

Eisele: And the Three Star Ranch, Mine.

Catherine T.: And the Three Star Mine out of Auburn. Yes, right?

Trefethen: The gold mine?

Eisele: And silver.

Catherine T.: Gold and silver.

LaBerge: So, we're into more than just lumbering. We're into mining, too.

Father, William Owen Morgan

Catherine T.: A lot of things, yes. And our grandfather took care of all of those. And then when he died and Mother married our father, then our father took care of all these places.

Eisele: He gave up his own business. Rather sad. Mother said it was really very hard for him. I think he was in the Hartford Insurance.

Catherine T.: Yes.

Eisele: And he gave it up in order to take care of all of these.

Catherine T.: However, it would be a horse and buggy and he would go to southern California and then across east to Arizona and back. And he was so much fun to be with on these trips because on his trips, before he was married, he had nothing to do but read. And he read everything. He knew something about every subject that we could bring up because he had these years and years experience of reading.

Eisele: Both he and Mother collected Indian baskets. Mother would collect Indian baskets from the Humboldt area and Daddy would collect them when he was going down in the southern areas. And we had a lovely collection. They did have a lovely collection.

LaBerge: Does one of you have them now?

Eisele: Well, we offered them once to the Bancroft [Library], didn't we? And they said they couldn't take them. And so then, we divided them up. [laughter]

Trefethen: We have some of them over in a barn.

Eisele: We have some of them and you have some of them.

LaBerge: Gee, you'd wonder if the Oakland Museum wouldn't want some.

Eisele: I think we even contacted the Oakland Museum.

Catherine T.: I think we did.

Eisele: And you know, Indian baskets, a lot of people were collecting them in the period of our parents and a lot of our age were giving them to the--

LaBerge: The Oakland Museum.

Catherine T.: They have enough, I'm sure. I remember that's the reason they didn't want them.

LaBerge: So, when your parents met, your father was at that point selling insurance for Hartford?

Catherine T.: Yes.

Trefethen: And he peddled it in a horse and buggy? My goodness.

Catherine T.: Well, and then when they were married and went on their honeymoon, they went down to Carmel and that's when the San Francisco earthquake and fire occurred [1906]. They heard that all of San Francisco was burning. And they turned around and came back but it took quite a while to get back in a horse and buggy. Then, our mother had some beautiful things in her trousseau which she never wore because right after they were married occurred the fire and earthquake. And then the San Francisco people came over to the East Bay to live because they had no houses.

Eisele: And there just wasn't much fancy social life.

Catherine T.: So, there wasn't any social life. So, when I was married, I wore my mother's wedding dress. And my sister, my only attendant, wore one of these dresses that she'd never worn. I still have it but it's falling apart.

Eisele: I still have one of her trousseau dresses and it's falling apart. I hang it up. And I think, what am I going to do with this?

Catherine T.: Silk just falls--just disintegrates.

Eisele: Yes. It's sad.

Catherine T.: Too bad.

Grandfather's Bet on the Redwood Table

Trefethen: I want you to be sure and tell about your grandfather and the bet on the dining room table.

Eisele: What? The bet?

Trefethen: The bet he made that he could drink--

Eisele: Oh, on the big table.

Trefethen: The big table, which is a slab of redwood.

Eisele: Made out of redwood. Going to the Lady Astor.

Catherine T.: Oh, oh that big table.

Trefethen: That's a wonderful story.

Catherine T.: That's a wonderful story. Do you want to tell it?

Eisele: No, you tell it. I'll add a little.

LaBerge: Okay, this is grandfather Edgar.

Catherine T.: Yes. And this was in the time of Queen Victoria. And Astor, Lord Astor? Well, it was also somebody in New York that made the bet with him. I think it was the Prince of Wales.

Eisele: Yes. Was it Morgan? One of those.

Catherine T.: Anyway, Lord Astor came to the United States because he had heard about these big trees in California. So, he came over here and where he went was up to the Vance property. And he saw all these trees and went back home. And he made a bet with the Prince of Wales. This was about eighteen, I don't know, in the 1870's or 1880's. He made a bet that he could provide a slice of tree that would seat forty people for dinner. And they all laughed at him like crazy and took the bet. So, he wrote to my grandfather. And what he wanted, he wanted to win this bet. He wanted the slab sent to London. Well, okay, my mother loved telling it. She wouldn't say "no sweat" but that's what she was trying to say. "That's no problem."

So her father went out and got a tree cut down. And the slice was put on a ship and went all the way around the horn and to London. Then they couldn't get it off. They didn't have anything in London to take this big slab of tree off the boat. But they finally did and it went through the streets of London and to a park where they had the dinner. And there are pictures. We have pictures from the London Times. Japanese lanterns hanging in all the trees around this table that sat forty people for dinner. And he won his bet.

Eisele: And we went over to see it once. Did you ever see it?

Catherine T.: No, you saw it.

Eisele: It was in the--was it Astor? That's the name that comes to mind. Anyway, it was out in their country estate and we made all kinds of arrangements to go and see it. I think

that was the year I went to Europe with Mother and Daddy before I was married. Daddy just went to all kinds of trouble to get the right people to get us there. And we were taken there and we were walked down. There it was under a wooden roof, open. And it was all falling apart. The whole thing was falling apart. [laughter] Overgrown and ugly, but we saw it.

Catherine T.: Well, it must have been the 1930s, then.

Eisele: Yes, late 1939 that I went to Europe with Mother and Daddy.

Father at U.C. Berkeley

Trefethen: Tell them about your father's involvement with Berkeley, U.C. Berkeley fraternity.

Eisele: Well, I believe he was the founder of the Phi Delta Theta Fraternity on the Berkeley campus. Am I right? That he was a founder or one of the founders?

LaBerge: What was his first name?

Eisele: William Owen Morgan.

LaBerge: And you know, you probably told me that before but I have all these names going through my head.

Eisele: And all his life he was a devoted Phi Delt. He was known as Brother Morgan. After he got out many years later, he always went back to the fraternity and he never drank any alcohol but he would always go to the duck dinner, which was a traditional drunken dinner. I never figured that one out, whether he had that.

Dad's Healthy Lifestyle

Catherine T.: But he was a vegetarian. He never ate duck. When we were young, he gave up in one day tea, coffee, meat, cigarettes, cigars. And he was pure after that.

Eisele: Well, he was pretty pure. We had a cook by the name of Nora Corrick who delighted in fooling Daddy if she could ever do it. He wouldn't have jello because it was made with--

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Eisele: --he ate marshmallows and he didn't know that was made with gelatins.

LaBerge: So, she'd try to fool him by slipping things in? Well, do you know what caused him to make this decision all of a sudden?

Eisele: He was a very disciplined person. And all his life he walked. There were a hundred steps up on the hills on Blair Avenue above Highland Avenue. And every morning he would go and walk those steps. He also had Indian clubs. And he would go out and do these exercises every morning. He always had lemon juice in water every morning before breakfast because he thought it kept him healthy. I just think it was a health thing with him. He just decided.

Catherine T.: But we were very young because I remember loving to come over and pour Daddy's coffee for breakfast. I think I must have been six years old. I was very young, very short.

LaBerge: And so he went to Cal. Do you know when he graduated?

Catherine T.: Well, he didn't graduate. He was in the class of '87. But his father died and he left school to take care of his mother. And I think that's when he started working for the insurance company.

Eisele: I guess so.

Catherine T.: And they lived on 34th Street.

Eisele: In Oakland.

Catherine T.: Thirty-fourth and Webster was always known as the Webster Street Place, wasn't it?

Eisele: Oh, he lived on 34th but Mother's family lived on Webster Street. That's right.

LaBerge: How did your parents meet?

Eisele: At choir practice at the Congregational Church.

LaBerge: In Oakland or Berkeley?

Eisele: Oakland.

LaBerge: My goodness.

Eisele: As a matter of fact, I have a pie knife that was given by the choir when they were married. [laughter] It says that.

LaBerge: How wonderful.

Catherine T.: And her good friends, the Parcells, introduced them. And their daughter Louise was a friend of ours.

LaBerge: So, was that your religious background, too, then growing up? The Congregational Church? The same one?

Eisele: No.

Catherine T.: Same one at first. And we went to kindergarten. I think they call it--

Eisele: Sunday school.

Catherine T.: Sunday school. And then they built the new Congregational church.

Eisele: Well, I don't know whether it was the same Congregational church in the same location, was it?

Catherine T.: Yes.

Eisele: Well, you're older. You can remember. [laughter]

Catherine T.: But it was down, like 12th Street in Oakland, their old one, And over toward the west side.

Back to the Lumber Business

Trefethen: What happened to all the lumber properties? Wasn't there a Hammond lumber company on this--?

Catherine T.: Well, Hammond bought it.

Eisele: They bought it. What was the name of the family, Kate, that moved in, in San Francisco? [phone call interrupts] --was the manager of the lumber company?

Catherine T.: You know, I can't remember that connection. I know they were close.

Eisele: There were three daughters and only one of them was married and her name was Mrs. Gerald Brush.

Catherine T.: Yes, and the other was Georgie--

Eisele: Fenwick. The Fenwick family had a house on the same hill at Mad River.

LaBerge: Why don't we somehow get back into the lumber thing? When you were born, your father was already working in the lumber company. Is that right?

Eisele: Yes. He was in the lumber company, Edgar. Grandfather.

Catherine T.: Grandfather.

Eisele: Yes, Edgar.

Catherine T.: Yes. See, father didn't work in any of the--. He just managed it.

LaBerge: Okay.

Eisele: When was the lumber company sold? Was it while Daddy was involved or was it before that?

Catherine T.: I don't know. That was Hammond. It became Hammond but I don't know when it was sold.

Eisele: And then later became--is it Pacific Lumber, which is up there now? And they had--their lumber mill was on the--is it the island of Somoa, which was across the bay from Eureka. And we used to go over there and watch them floating the logs in.

Catherine T.: And also bring in whales. They had whale stations. Oh, and that was horrible but that was one of the things that my mother grew up knowing. This whaling industry was big, then. And whale oil was used.

Eisele: Oh, we hated to go up there. We just hated to go because--

Catherine T.: The smell.

Eisele: --the smell was so terrible. It made us sick. But we also went clamming which was a wonderful sort of outing for us, was to go clamming. We'd get up very early and we have wonderful pictures of us with our pants rolled up, you know, running out in the sand. And then we'd have a big picnic where they'd cook the clams.

Barbara Morgan Meets Milt Eisele

Trefethen: Would you tell how you met Milt and of his Kaiser connection?

Eisele: You'll probably have to fill me in on some of that Kaiser connection.

LaBerge: I thought he was going to have to fill you in on where you met Milt. [laughter]

Eisele: No, I met Milt at Berkeley.

Trefethen: The university.

Eisele: The University of California at Berkeley and I was an Alpha Phi and he was a member of Kappa Alpha order. And he had come up from San Mateo. He'd gone to junior college there and had come up as a junior. One night, my best friend who was going with Milt's best friend said, "Why don't we have a blind date?" So we did. I remember walking out the door of the Alpha Phi house with my coat on backwards. And I don't know why. [laughter] He seemed to think that was funny, I guess. And that's how we met. We didn't get married for over ten years after that. It took us a long time to make up our minds.

LaBerge: And what year did you graduate from Cal?

Eisele: Thirty-three.

LaBerge: And majoring in?

Eisele: I majored in the nearest thing I could get to drama, which was public speaking, which has nothing to do with drama. It's the exact opposite of what a drama major wanted. [laughter]

LaBerge: Well, was there no drama major or--?

Eisele: There was no drama major at that time. And so I had to take all these terrible courses in public speaking. I hated it.

Trefethen: But that's great training, though. That's great training.

Eisele: It was good training.

Catherine T.: Milt had a little band.

LaBerge: Oh, he did?

Eisele: Oh, that's right. He had an orchestra in college. And he often would play at the Alpha Phi house. And it was at the time when they had--what do you call those?

LaBerge: Megaphones?

Eisele: Megaphones. And he would sing. [laughter]

LaBerge: What did he major in?

Eisele: He? Economics. Then when he got out of college, his father was in the marble business. He had come out from New York and had a marble business in San Francisco on Third Street called Eisele & Dondero.

When he got out of college, it was during the Depression and he wanted to get a job. So he applied at a bank and they said to him, "Now, do you have any other means of income?" And he said, "Well, I have a little orchestra." And they said, "Oh, and when do you play this orchestra?" And he said, "Well, on Friday and Saturday nights." And they said, "On Friday night?" That was in the days when the banks--they had to go back to the bank on Saturday and work very hard. The bank said, "Oh, I'm sorry but, you know, if you are going to be--you won't be up to snuff on Saturday. If you would like this job, I'm afraid you'll have to give up the band." So, he got sixty dollars a month at the bank and he was making fifty dollars over the weekends on the band. But he said, "Yes, sir." And then, and I don't remember how many years later--

LaBerge: What bank was this?

Eisele: Wells Fargo Bank and Trust Company. Then some years later, he became acquainted with Kaiser, the whole Kaiser thing. The Kaiser Company at that time was the most dramatic thing

in the world, you know. Everybody wanted to get involved in it. They just thought it would be so much fun. Milt had found the banking business pretty dull. So he applied to the Kaiser company in 1939. We were just married in 1941. We were living in an apartment in San Francisco. And that was when the war was declared. We were living very close to the waterfront and we'd go down and watch the boats going out. You know, that was a terribly solemn and scary thing to watch those boats going out with the troops. Milt applied to get into the navy. But the Kaiser Company needed him because they were doing so much construction for the war effort. He was sent down to Permanente, which is down and south of Palo Alto. Where was it?

Trefethen: Los Altos.

Eisele: Cupertino. Well, whatever. And I remember my impression. We had to go down one time and I had to look for a place to live down there. He got up and he put his hard hat on. And I said, "Milt, you're not going to wear that with me. You know, we're going to go out to breakfast somewhere. You're not going to wear that hat." [interruption]

We came back, or he met me. And he said, "Have you got a house?" And I said, "Oh, no, I just spent the day with my friend and we looked around at some houses." He said, "Have a house by tomorrow night." So I did. [laughter]

LaBerge: So, he continued, then, to work for Kaiser for the rest of his career. First with Kaiser Cement?

Eisele: He started out with Kaiser Cement. Then Permanente metals in construction--magnesium plant, ferrosilicon plant, soda ash plant, then aluminum in sales and foil. At one point, in 1947 I think it was, he was transferred back to Chicago to run the sales office back there. We had to move. I had a three-month-old baby and twin daughters that were five. And he left me and went back--

Trefethen: He left you. Harsh.

Eisele: He left me and he said, "You sell the house." I know I was nursing the baby. And I remember one time, or several times when they were showing the house, I'd have to nurse the baby and I'd stay one room ahead of the people that were looking at the house. [laughter]

LaBerge: So, you moved to the Chicago area for several years?

Eisele: We were there about three and a half years, yes.

Catherine T.: But it wasn't Chicago. It was north.

Eisele: Well, his work, his office was in Chicago.

LaBerge: Where you lived, I bet Evanston or some place.

Eisele: We lived in Evanston for three years and then we finally decided we were going to probably be there for a while so we better buy a house. We looked up in Winnetka and bought a house in Winnetka. And six months after we bought it, he was transferred back. And he left me. [laughter] I had to pack up and come back.

Trefethen: Come back out to California.

Eisele: We moved right back to Palo Alto. We had been living in, first in Menlo Park and then in Palo Alto. And we raised our children in Palo Alto. That was a wonderful spot, really, for them to grow up because it was a university town and I've been associated with university towns all my life and universities. I became very fond of Stanford.

LaBerge: That's okay to say that. [laughter]

Eisele: And knew many of the professors. We were good friends of a lot of the professors. It was a very stimulating place to grow up, for the children to grow up.

Trefethen: Do you need to know anything about Mrs. Trefethen's life with Gene?

Mills College

LaBerge: Yes. I want to ask her about that. I want to ask her about her college, too. How did you happen to pick Mills College?

Catherine T.: I didn't have any college in mind, really. But my mother had always wanted to go to Mills. Her parents brought her down from Eureka to Oakland to see the college. But she was so afraid and nervous that she couldn't leave her parents. So she went back up to Eureka. She was too shy. She was very shy.

Eisele: And wasn't Mills College over in Marin County at that time?
And it was called something else.

Trefethen: Seminary.

Catherine T.: Seminary.

LaBerge: Oh, is that the reason it's on Seminary Drive?

Catherine T.: No, it was a seminary and before it was built at its present place. And Mills Hall, which was badly damaged in the earthquake a few years ago [1989] is now being repaired. And that was the entire Mills College. That was where the students lived and ate and went to school and where all the administration was. The whole thing was in Mills Hall.

So I went to Mills partly because she wanted me to. And then, a couple of my very best friends were going anyway. That was fun. I said, "Well, I'll go as long as I can transfer later on."

LaBerge: Transfer to the university?

Catherine T.: Transfer any place. I didn't know where. But I was so happy that you couldn't have gotten me out. I loved it. It was small enough so that the girls could be heard. There were no boys around to make all, you know, talk in class. I loved it. And I did learn. I didn't know how to study when I got there. But I sure learned how. I had to.

One of the things I loved was horseback riding when I was in high school. So when I got my physical education desires, I chose horseback riding. Even though I could have been in the third highest class, we could have only three years of one sport. And I wanted it. So, I joined the babies, the beginners, although I could have gone to the top. I just wanted all the riding I could get. And I did.

LaBerge: Did you do it right there? I mean, were there stables on campus?

Catherine T.: Yes, I started the Bit and Spur Club. I was an art major. So, I designed the pin and the armbands and got everybody to do this and do that and go. We put on a program once a year. But then, I was an art major and that was most fun. I just had a great time and made some marvelous friends.

LaBerge: Was this history of art or studio art?

Catherine T.: Everything. Everything they gave, I took. And then, they ran out of things and so they made up some courses for me.

LaBerge: Well, this explains Carla's, I guess, artistic bent and why Mr. T was on the Mills College board. I mean, is that all that connection?

Catherine T.: Yes. Carla went away to the University of Oregon for two years and didn't like it at all. And some girl up there said, "Carla, the place you should go to school is Mills College. That's where you ought to go." And she thought that was true. So, she transferred down to Mills College when she was a junior. She met Ralph DuCasse, who was head of the department, loved him and loved the classes so much. She didn't tell us, but she took three years to do two years' work. She didn't want to leave Mills either. And then she stayed two more years to get a masters. She doesn't have an M.F.A. She had a masters degree which is a lot better.

Then her child went to the children's class. But I remember taking Carla to the Mills children's class during the war, just as the war was--. She was born in 1939. And so about '41 or '42 I started taking her to the children's class at Mills. But then, we didn't have enough gasoline for everyone and I had to double up with other people. So I took her to Cal for the rest of her preschool.

LaBerge: Was there a special studies school or something?

Catherine T.: Yes, at Mills. Before that it used to be the hospital. But then they turned it into the children's preschool. And they have one of the finest preschool departments in California. Probably the best preschool department of any school in California. [to Mr. Trefethen] You know more about Mills College than I do because you've been on the board and I haven't.

Trefethen: That's another subject. [laughter]

Catherine Morgan Meets Eugene Trefethen

LaBerge: How did you meet Mr. T?

Catherine T.: I was going to go to a Piedmont Campfire camp. It was an adult camp in order to get this new one ready for children

who would come that next summer. So I joined and went to the place, to the campfire center in Piedmont, to go drive up there in a bus. We were waiting and waiting for one more person. Finally she arrived. I think she was five-feet tall. And that was Carol Trefethen. She got on and said, "I have two-tenths of a temperature but I'm going to go anyway." She came on board and we stayed up and all of us worked to help Rupe, the head of it, get ready for the children to come in the summer. So, it was a working weekend.

Then, when we came back, Carol telephoned. She knew what she was doing. She asked me if I would come down and bring my knitting. What she wanted me to do was to meet her brother. But she didn't tell me. So, I went down. And they have how many stairs in front of your house?

Trefethen: Too many.

Catherine T.: A lot of stairs and I was down at the bottom of the stairs when this young man came down, wearing a hat. Carol introduced us and he tipped his hat to me. And Carol said, "Well, where are you going?" And he said, "Oh, I'm just going to get a newspaper. My boss got another job and I want to see what the Oakland Tribune has." And what was that job?

Trefethen: The substructure for the Bay Bridge.

Catherine T.: That's what I thought. We went upstairs and you finally came in with the paper. He was reading the Tribune the whole time and we were across the room. He had this paper in front of him like this the whole time [demonstrates]. And I thought, well, what's this? I didn't say anything but I was getting a little irritated. And so I was talking to Carol. Finally, he put down the paper. About ten years later he told me he'd been peeking. But I didn't know that. And Carol said, "Brud, will you take us for a ride tonight?" So, all three of us got into the Ford and went for a ride. It was a moonlight night. And the front seats weren't very wide in those days. So, three people were quite close. And I knew this somebody was a very special person. So, that was the beginning.

LaBerge: And then you were married in how many years?

Catherine T.: Four years later.

LaBerge: Well, I know Mr. T told me that he was busy with the Bay Bridge and that meant he was away a lot.

Catherine T.: He was in all kinds of jobs. He'd come home and then he'd go away and I wouldn't have a date. So, I'd have other dates with other men. Finally, he had enough time for a wife. And he proposed to me. So, we were married.

Sisters' Trip Throughout the U.S.

Eisele: I think I did the opposite. I decided to go back East to the American Academy. Am I right? And left Milt.

Catherine T.: Yes, you did.

Eisele: That was a fun trip. .

Catherine T.: Yes. The two of us went through the canal. This is going back to my sister now.

LaBerge: Oh, well that's good. Let's hear that because I don't think we finished the trips when you were growing up, either, because you only mentioned going up to the Mad River.

Eisele: When did we go? Was it when you graduated from high school or when I did that we took the trip around--

Catherine T.: When you graduated from Cal.

Eisele: No!

Catherine T.: Because I met Gene Trefethen April 1, 1933 in the evening.

Eisele: Thirty-three. Anyway, Daddy had planned a trip around the United States and it took three months. And it was really an astonishing trip now that I think about it, to have taken two girls. That was the point at which we were beginning to smoke. [laughter] Kate and I would get out of the car. And I don't know why we didn't think Mother and Daddy knew what we were doing. We went behind the car and lit cigarettes.

Catherine T.: I don't remember that.

Eisele: But we did. We took a complete trip around the United States.

Catherine T.: We went first to Minneapolis.

Eisele: Yes, we stopped in Minneapolis with relatives.

LaBerge: And this is a car trip, obviously.

Eisele: We had Thanksgiving in South Carolina at one of those big, wonderful--

Catherine T.: Well-known--

Eisele: --hotel/resort.

LaBerge: Oh, not the Greenbrier.

Eisele: No, I don't think that was the Greenbrier but--

LaBerge: That's West Virginia.

Eisele: It was one of those.

Catherine T.: But we went from Piedmont across California and then over to Minneapolis to see her relatives and then on further east, and stopping at all the Phi Delt houses so Daddy could see all of them.

Eisele: And every Wednesday, he went to the Lion's Club lunch wherever he was. I remember that he belonged to the Lion's Club.

Catherine T.: We went up, I think, very close to the northern tip of Maine. And we drove down the east coast.

Eisele: Visiting Machias, Maine, where our mother's family came from.

Catherine T.: And then down to New York. Boston first and then New York.

Eisele: We saw Prohibition repealed on Fifth Ave.

Catherine T.: Oh, no. That's a trip you and I took because--

Eisele: Oh, it was repealed in '33, wasn't it? Did we--? That sounds right.

Catherine T.: Then we took that canal trip.

Eisele: After that, yes.

LaBerge: Well, let's hear about that, when you saw it being repealed. Or you saw the effects.

Eisele: Well, 1933 we were out of college--I was out of college. So that must have been. You're right.

Catherine T.: Yes, and we took this trip with our parents right after your college, because I'd been out for two years. We went around the United States and then came back. And then, you decided you wanted to go--When did you go the first time?

Eisele: Kate, we were--it was after I graduated from high school, I think, that we went on this trip around the continent.

Catherine T.: No, because I had met Gene and I had his picture with me. [laughter] I had his picture stashed in my underwear. So, it was 1933 when we took that trip.

Eisele: But I went to the academy right after college. Wasn't it that fall? Or was it a year later? [1934]

Catherine T.: Well, you went to the academy and we were going to come back through the canal but you made the decision--

Eisele: Well, the first time I went, I went legitimately. I told my parents I was going and they were very upset.

LaBerge: And what academy was this?

Eisele: New York Academy of Dramatic Art.

##

Eisele: We went in 1934.

Trip to New York Through the Canal

LaBerge: Should we finish talking about this trip and then tell me about the one through the canal after that? So, you had Thanksgiving in South Carolina.

Eisele: Well, it was one of those southern states. My memory says South Carolina but I'm not sure.

LaBerge: How did you make the southern trip?

Eisele: We went to New Orleans and then across--

Catherine T.: Biloxi. I remember--somehow I remember Biloxi.

Eisele: Biloxi, Mississippi.

LaBerge: Tell me about the repeal of Prohibition.

Catherine T.: We were in New York together for repeal [1933].

LaBerge: So what happened in New York that day? Was it like New Year's Eve or something with people throwing things?

Eisele: Well, we were down in Times Square with millions of people around us.

Catherine T.: It didn't mean an awful lot to us because we hadn't been drinking.

Eisele: No, but it was general excitement.

LaBerge: What about the trip the two of you took through the canal?

Eisele: Well, that happened because I went back one year to the academy and you have to be invited back for the second year, which I was. I was very excited about that. But my mother got physically sick at the idea of my going into the theater. She really went to bed. I felt so guilty I didn't go back. And then, Kate and Gene were, I don't know, they weren't agreeing or something and you know, we decided the best thing for us to do was take a trip, get away. And I was Nurse Barbara. I remember that. I had a sign on me that said Nurse Barbara. We took a trip through the canal.

Catherine T.: This is a marvelous trip.

Eisele: We had a wonderful time. It was just wild and wonderful. And we were uninhibited.

Catherine T.: This was just before Christmas and nobody from California was going through the canal at that time. Coming back, it was the time when everybody in New York wanted to get out of New York because it was after Christmas and they wanted to come to sunny California. So, it was a packed ship coming back. But going, there were very few people. And so Barbara and I and one of the other girls on board--

Eisele: Betsy Rosselle.

Catherine T.: Betsy. How could you remember her name?

Eisele: I don't know.

Catherine T.: She was a girl, I think, younger than we were. Very few people on board. We put on a show for every passenger. And we rehearsed it.

Eisele: Not enough. [laughter]

Catherine T.: But we had the best--

Eisele: I remember it was just a fiasco.

Catherine T.: But when we invited people to come to where we--

Eisele: It was in the bar.

Catherine T.: In the bar and we took people off the dance--they couldn't sit up at the bar. They had to listen to us. And we put on this show.

LaBerge: And this was what, music and dance or dramatic readings?

Eisele: And costumes.

Catherine T.: The works.

LaBerge: That's great. What ship were you on? I mean, it wasn't one of the famous--

Catherine T.: Well, wasn't it a Grace Line ship, a "Santa" boat?

Eisele: Whatever went through the canal. I don't remember.

LaBerge: And so after the canal, then where did you land? Did you land in Haiti and Cuba and--?

Eisele: Well, we didn't really--did we--land anywhere. We just went directly to New York. When we got there, I met up with my friends from the year before and another one of our friends was living there in New York and I suddenly decided I wasn't going to go back home. So, Kate got on the ship and came back alone. I stayed and had to write a humongous letter to my parents saying, "I'm not coming home." [laughter]

Catherine T.: These were horribly difficult times for our parents.

LaBerge: Oh, they were. I mean right now it sounds like nothing, but I can identify at that time that you just didn't "do" that.

Eisele: You didn't "do" that. It was really something.

Catherine Goes to Art School

Catherine T.: After college, I had an apartment in San Francisco with two other girls and we called ourselves the Vestal Virgins. And my mother went to bed for that, too. She couldn't--

Eisele: Same mother.

LaBerge: Same mother. [laughter] Same bed.

Catherine T.: You didn't have the accent on that word.

LaBerge: Because you had an apartment or because you named yourself that or the whole idea?

Catherine T.: Well, the whole thing. She didn't know what we were doing. And we would tell her all the time but we had boyfriends. These other two girls had jobs. I went to the art school. I don't know what they call it.

Eisele: On Chestnut Street.

Catherine T.: Yes, the older one that's been there forever and is still there. These friends I had in college were all awfully smart. Most of them were Phi Beta Kappas. I certainly wasn't but these two girls I was living with were and one of them--it was during the Depression, naturally, and hardly anybody could get a job. But she got herself a job with the San Francisco evening paper. She would interview these men on the street, you know, selling apples. And they'd be Ph.D.'s and they'd be doctors and they'd be lawyers and they didn't have jobs. So, then she'd write this marvelous sob story about this one man, with a picture. And it was in the paper every single night. And then that helped them get jobs.

LaBerge: Do you remember her name?

Catherine T.: Sidney Silverman.

LaBerge: So, did you live in the apartment when you met Mr. Trefethen?

Catherine T.: No, this was before. This was right after college. See, I graduated in '31. And this was in the fall of '31 when we went over there to live. I went to art school and these other two girls had jobs. The other girl's name was Arvilla Parker. She had a job with a printer. They printed beautiful books, small printing--books. It was in San Francisco. And she was very close to the owner. What was the name of that? Grabhorn--?

Eisele: Grabhorn Press.

Catherine T.: Grabhorn Press.

LaBerge: In fact, I think we have an oral history of someone who was involved with the Grabhorn Press.¹

Catherine T.: She later worked at that college where students can work in the day and go to school at night, Golden Gate University. She had quite an important position at that college.

Barbara's New York Experience

LaBerge: How about hearing the rest of your story when you stayed in New York? What happened? How did your parents react and how long did you stay and did you finish your second year there?

Eisele: I couldn't actually--when I got there, I realized after I decided to stay that the semester had already started and they wouldn't take me. So, I had to go to work. My work was very silly. I spent a little time at the Jewish Community Center in upper New York City, a hundred and ninety something or other, taking typing so that I could get a job. But I never got a job typing. I got a job as a model for Elizabeth Hawes who wrote the book called Fashion Is Spinach [New York: Random House, 1938]. [laughter] And she was an important designer then.

¹ See Robert Grabhorn, "Fine Printing and the Grabhorn Press," an oral history conducted in 1967, Regional Oral History Office, The Bancroft Library, University of California, Berkeley, 1968.

My roommate, at that time was working for her as, you know, answering telephones, running errands, and walking the dogs. And so she got, you know, she told Elizabeth Hawes about me. I worked there until I got fired because I didn't show the dress properly.

This is an aside but it's a funny story. I had a dress that had a jacket with sleeves. And it had, then, over that a sleeveless jacket but only one belt. So, my job was to come down, show it, take the belt off, put it over my shoulder, take and show the dress. Then I had to take the next thing off, put the belt back on, show that. Then I had to take it all off and I got all mixed up. And I could see Elizabeth Hawes just, you know, I watched her. And I knew I didn't have much longer. [laughter]

Catherine T.: Well, tell the story about Kit Cornell seeing you in the long green gloves at a party over on the other side of the room.

Eisele: That was Katherine Cornell. Well, one of my best friends at the academy had been Phyllis Langner. And her father was Phillip Langner who had founded the Theater Guild in New York. And they had a place in upper New York or Connecticut, I can't remember which, where they had a small summer theater. They had a summer home and then a lot of these actors and actresses had homes in that particular--Westport, Connecticut. And so we would spend weekends up there with the family and Phyllis and I both trying to get jobs. Phillip would not help us at all. He would have nothing to do with us. He said, "You get it on your own."

And I remember going to--I forgot his first name, Pembroke, who was one of the producers on Broadway. He was the only nice person I met in the whole of the theater world when we were trying to--. This was during the Depression time and there weren't many jobs available. There was fierce competition and I realized then that I was not made for that kind of competition. But this wonderful man said to me, "You know, you've got to really want it, more than anything else in the world." And he said, "I really mean that." And he said, "Find out now." He was marvelous. And also the head of the academy had told me that same thing but I didn't believe them the year before. [laughter] So, I finally sort of came home with my tail between my legs, a failed actress.

LaBerge: But then did you do something with it later?

Eisele: Never, actually, did I?

LaBerge: But amateur?

Eisele: Well, I did a few little things but nothing much.

Catherine T.: But she's very good up here in this valley because she can get up on her feet and make people listen to her because she's had all this training and all these friends in the theater. And she knows how to get their attention and keep their attention.

Eisele: By saying, "Shut up?" [laughter]

LaBerge: So you live in the Napa Valley now, too? How nice for both of you.

Catherine T.: Yes.

Eisele: Yes, we had a vineyard for some twenty years, and just sold it a couple, three years ago.

LaBerge: Well, was it Eisele Vineyard?

Eisele: Eisele Vineyard. And I must say that my husband made it into quite a fine vineyard, one of the best in the valley.

Catherine T.: And when they sold the place, they sold the name so that it's still called Eisele Vineyard.

Being a Kaiser Wife

LaBerge: Well, I don't want to tire you both out too much. But I want to hear a little bit of what it was like to be connected to Kaiser as a wife. What was that experience like for you?

Catherine T.: Well, it was marvelous for me because all of my friends were the wives of all of his business associates. We were very close, the women, because we had our babies at the same time and we worked and our husbands would be busy because they were all busy together. So, we didn't feel left out at all. When he'd come home he was on the telephone all the time. He'd come home and get on the phone and dinner would have to wait until he got off, sometimes one hour. But you know, it's the only life I knew and all my friends had the same

kind of life. Then we would get together on weekends and have the most fabulous parties. We lived close together. And we couldn't get meat and we couldn't get this and we couldn't get that so we'd have parties, "Come for dessert."

Oh, Jane Inch said, at the beginning of the war, "Now, get a lot of phonograph records because we won't be able to do anything when this war gets here. We can't go anywhere." And of course, that's exactly what happened. So, we had phonographs and played and danced. And then, we began to dress up with our hostess clothes. We'd go upstairs and I remember putting on these performances. And I'd tell them what to play on the phonograph. And we would be upstairs, two or three wives, making up this performance we were going to do to certain music as we came down dressed in all kinds of fancy things that came right out of this hostess closet.

Trefethen: We may want to censor this part of your-- [laughter]

Catherine T.: Oh, we drank a lot of hard liquor.

Eisele: You had one party for me, a birthday party, a costume party and everybody was to come as desserts. And I came, I came as the birthday cake and I made myself a three-tiered cake. The only thing I forgot was it made no arrangements for going to the bathroom. [laughter]

Catherine T.: And she had lighted candles.

Eisele: There were quite a few tarts! And there was one lemon mousse. Remember the man with the moose head and it had lemons around his neck. And another one who was--he came in and he didn't have any costume. Somebody said, "Oh, you didn't wear a costume." And he said, "Yes, I did." [Showing hands] And he had lady fingers. [nail polish]

Catherine T.: I think we gave him first prize. We had a lot of fun at those parties because you could do the things that we were used to doing.

LaBerge: So, you just invented the fun.

Trefethen: Now, do you think you've done your duty?

Eisele: I've been at it for--

Catherine T.: Yes. Any questions? Have we left out anything?

LaBerge: If you have, when you get this later, you can add something. Is there something else of your upbringing that you think that we haven't touched? Did we cover all the trips you took, your family trips?

More on Family Trips

Catherine T.: No. We went on many trips. We went all over California. I mean, every summer we would go someplace. So, we knew California better than anybody. I was so annoyed because all my friends would go to the same place every summer and play with each other. And we couldn't because we were going traveling.

Eisele: We finally managed to get them to land at Tahoe. And we went about three years to the same house at Tahoe. That was our first introduction that all our friends had talked about. And we loved it. I can remember, you know, you got your friends up and I get my friends up and--

Catherine T.: By that time we were in college.

Eisele: That's right. Then we were in college when that happened.

Catherine T.: We couldn't go where everybody else went. We always went on a trip someplace, mostly California and then once to Minneapolis and then once to Europe.

Eisele: And always spent some time up at Mad River.

Catherine T.: And then we'd come back, and go up to Mad River.

LaBerge: But never with your friends.

Catherine T.: No.

LaBerge: Most people did that, go to Tahoe and get a cabin for a couple of weeks or whatever?

Catherine T.: Yes.

Eisele: I think one of the things that we were talking about the other day, Kate, was how throughout all our lives both of us had a great feeling for food.

Catherine T.: Yes.

Eisele: We had this wonderful cook, Nora Corrick, who was a character. There were certain things that she cooked that both of us remember, you know, very much. We remember how she looked in the kitchen when she was preparing food or what you used to do like serving Daddy. And all through our lives.

LaBerge: Shall we end it here? That was wonderful.

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APPENDIX

Articles in Tribute

Eugene Trefethen: The gentle giant of the Kaiser dynasty

LOOKING out the view windows of the 28-story Kaiser Center, you get a historic sense of the city of Oakland that inspired Kaiser corporate leaders to become its partner in countless progressive civic projects.

If only we had captured in a bottle the wisdom and spirit that guided those leaders. We could pour some of it around now — judiciously, so as not to waste a drop.

Perhaps we would learn from the ideas of such leaders as Eugene Trefethen — one of those corporate leaders, best known as "the gentle giant" — who slipped away from the world in his quiet manner on Jan. 31.

Living to be 86 years old has its obvious advantages. Trefethen accomplished much in that lifetime. The disadvantage is that many people in Oakland, for example, have no idea of the man and his accomplishments. Let me share with you a glimpse of this man so many loved and admired.

Trefethen was so close to the corporate founder, Henry J. Kaiser, he was considered an adopted son. He was best friends of Kaiser's son Edgar Kaiser since their college days together at UC Berkeley. It was

assumed he would become an attorney, following in his father's footsteps, but his summer job while at Cal, at the Kaiser gravel plant at Livermore, changed his plans.

After only a year at Harvard Business School, Trefethen began his lifetime career in 1926 with Kaiser in the sand-and-gravel laborer operation of Kaiser Aluminum and Chemical Corp. He rose to president and vice chairman of Kaiser Industries Corporation.

But even after retirement in 1979, Trefethen was a star in business as a vintner in the Napa Valley with his son, John Vance Trefethen. The winery won several first prize awards for its world-class wines.

At a memorial last Thursday in Grace Cathedral in San Francisco, Oakland's James Vohs, a close friend of Trefethen, described in his eulogy how he went about getting things done.

"Gene had keen insight, an ability to dissect a problem and formulate a sound, sensible solution. His relationship with Henry Kaiser was synergistic. Henry was the bold, brash entrepreneur; the dreamer, the innovative, fearless, with an imagination that knew no bounds."

Trefethen was the "sound, practical, thoughtful executive, the organizer, the financial and business genius, the doer who got things done," said Vohs.

Vohs, a Kaiser corporate leader and former head of the Kaiser Foundation health plan, recalled a tense period in the early 1950s. There was a conflict between the Permanente physicians and Henry J. Kaiser that threatened the survival of the fledgling health plan.

"It was Gene Trefethen who devised a formula that resolved the dispute," said Vohs. "He proposed a partnership between the independent Permanente medical groups and the nonprofit Kaiser health plan and hospitals.

"In recognition of that partnership, the program is now referred to as Kaiser Permanente."

"People ask, what made Gene Trefethen a truly great man? I don't know. And he did not think of himself that way. He seemed blissfully



Trefethen

unaware of his uniqueness and appeal, and totally unimpressed by any sense of his own importance. But anyone who spent more than a few minutes with him knew he was something special and never forgot it.

There were so many dimensions to the man that extended far beyond his success as a corporate leader or world class vintner."

Henry Kaiser and Trefethen, with Edgar Kaiser and others, built roads, dams, bridges, tunnels, ships, planes, cars, plants, homes and hotels. They founded national and international companies producing cement, steel, aluminum, coal and gypsum.



Peggy Stinnett

But they didn't forget the needs of their home town, Oakland. As remembered by Oakland Council member Dick Spees, who was public affairs director for Kaiser for many years, the Kaiser name has been associated with every civic and community project for more than 40 years.

"Had it not been for Gene Trefethen, there really would be no Oakland Museum today," said Spees. He recalled the last time he saw Trefethen was at a December dinner. "It was as if he was preparing for a long trip," Spees remembered fondly of his friend and colleague. Trefethen died soon after at his Napa Valley home.

Trefethen also gave generously to UC Berkeley, Mills College, the San Francisco Museum of Modern Art, and UC San Francisco.

For all of his accomplishments, Gene Trefethen will be remembered by those who knew him for his personal qualities as described by Vohs:

"A man of uncommon good will and intense, unshakable loyalty, he had an indomitable conviction that there were no problems too large or too complex to be solved. With his own keen sense of responsibility and accountability to society, he was personally prepared to address any of those problems."

If only all of us lived by that creed, what a different world this would be. Yes, indeed.

Peggy Stinnett is editorial page editor of The Oakland Tribune.

EUGENE TREFETHEN JR.

1909 – 1996

Eugene E. Trefethen Jr. '30, who guided projects from the Hoover Dam and the Bridge to the creation of the new Haas School of Business building, died January 31 at his home in the Napa Valley. He was 86.

A master fund-raiser and Cal's 1979 Alumnus of the Year, Trefethen began his career in 1926, while a student at Berkeley. Starting as a sand-and-gravel laborer at Kaiser's Livermore facility, he soon became an assistant to company founder and patriarch Henry J. Kaiser. During his five decades with Kaiser, Trefethen held key management positions, including president and vice chairman of Kaiser Industries. He retired in 1979 but was named a director for life at three of Kaiser's affiliated companies.

"Gene was a good thinker, not afraid to take on new problems, and a hard worker," said his friend—and Kaiser lawyer—Robert Bridges '30, Boalt '33. Bridges also remembers Trefethen's skill as a fund-raiser. "Chancellor Bowker wanted our class to endow the first chair at Berkeley, but raising the money was tough," he said. "So Gene called me up and said, 'Why don't you and I and Edgar [Kaiser] contribute \$50,000, and then the other members of the class will take it



seriously.' I gulped and said okay."

Trefethen also was a wine lover and viticulturist, and in 1968 he bought one of the Napa Valley's most prestigious estates, the 600-acre Eschol Ranch. His son and daughter-in-law, John and Janet Trefethen, established a winery at the ranch in 1973. Located in the Oak Knoll District, the winery today produces 100,000 cases of world-class vintage varietal wines.

Among many honors, Trefethen was awarded the Berkeley Medal in 1989 and the United Way's Alexis de Toqueville Society Community Philanthropy Award. He was given the Haas School of Business Lifetime Achievement Award in 1994. He is survived by his wife Catherine, two children, and four grandchildren.

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