

BUILDER OF THE LIBERAL CONSENSUS: HENRY J. KAISER (1882-1967)

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In the summer of 1944, Franklin D. Roosevelt was preparing to run for his fourth term as president, and his closest advisors were puzzling over a possible successor to Vice-President Henry Wallace. One possible candidate stood out: Henry J. Kaiser.¹ The entrepreneur had no political experience, did not belong to a party, and had not supported any campaign financially — and yet the President contemplated sending him into the race as his running mate. In a specially prepared dossier, the FBI painted the picture of a climber at the height of his career. Kaiser's conglomerate employed 250,000 workers: they extracted coal and ore, produced cement, steel, and magnesium, and built roads, dams, ports, cargo ships, airplanes, and munitions. Many of these businesses were not even five years old. Kaiser was not only one of the largest employers in the U.S., he was also considered one of the most enlightened, offering health insurance and housing construction schemes, and cooperating closely with the unions; his reputation was exemplary. Yet Roosevelt did not include the entrepreneur on his list of possible vice-presidents because of his economic stature. Rather, at a time of large, manager-led enterprises, Kaiser embodied a new version of the American Dream: with hard work and energy, anyone could make it on his own.² Yet just a short time later, the tide turned. In the end, Harry S. Truman became Roosevelt's running mate and already by the late fall of 1944, when it was becoming ever more clear that military victory in World War II was merely a matter of time, Kaiser was suddenly portrayed as an economic opportunist who had only achieved his position in life thanks to government support. From then on, his opponents accused the entrepreneur of having enriched himself at the expense of the general public. Although Kaiser was still active in business for many years after, right up to his death he had to defend himself against such charges. As late as the spring of 1964, the East Coast political establishment was unwilling to relent: an attempt by several Congressmen to honor the then eighty-two-year-old Kaiser, the builder of the famous "Liberty Ships," with a Congressional Medal of Honor failed miserably. During the debate, the Republican Harold R. Gross from Iowa summed up the reservations: "I question whether this gentleman is an industrial giant on the basis of having hewed it out himself, as have other leaders of industry in this country."³

1 "Now It's Kaiser for President," news clipping, Feb. 17, 1944, carton 257, folder 13, Henry J. Kaiser Papers, Bancroft Library, University of California at Berkeley, Berkeley, Calif. Subsequent references will be in the form HJKP, carton number/folder number. See also Stephen B. Adams, *Mr. Kaiser Goes to Washington: The Rise of a Government Entrepreneur* (Chapel Hill, 1997), 152-55; Mark S. Foster, *Henry J. Kaiser: Builder in the Modern American West* (Austin, 1989), 118-19.

2 J. Edgar Hoover to Samuel Rosenman, June 30, 1944, and enclosed "Report on Kaiser," Federal Bureau of Investigation Records, Freedom of Information Act request.

3 110 *Cong. Rec.*, 11124-37 (May 18, 1964), quote on p. 11125.



Figure 1: The Liberty Ship Patrick Henry. Courtesy of the Library of Congress.

Family Background

Although Kaiser was born in the United States, he grew up in a milieu dominated by German immigrants. His father Franz (later Frank, born 1842, died October 18, 1929) hailed from Steinheim in Hesse, a small medieval town on the southern banks of the Main that is today a suburb of Hanau. While we know nothing about the reasons that persuaded the thirty-year-old shoemaker to emigrate in 1872, he drew upon contacts from his homeland for his new start in America. Frank Kaiser traveled to a small hamlet in upstate New York called Canajoharie where he was taken in by the Yops (originally Jobst) family, farmers who had also come from Steinheim, and he eked out a living with odd jobs. His hosts had given up their heavily indebted holding in Germany as early as 1853 and had managed

to acquire a mid-sized farm in this village in upstate New York. Frank Kaiser fell in love with Mary Yops (originally Anna Marie; born 1847, died December 1, 1899) and married her on January 5, 1873. The couple settled a few miles from Canajoharie, in Sprout Brook, where Frank opened a cobbler's workshop. After three daughters (Elizabeth, born November 23, 1873; Anna, born October 23, 1876; and Augusta, born September 19, 1878), Mary gave birth to a son on May 9, 1882, who was given a Protestant baptism two years later with the name Heinrich Kaiser. The baptismal register has no indication of the second name "John," which Kaiser must have adopted on his own later, just as he changed "Heinrich" into "Henry."⁴

When the entrepreneur became a national celebrity in 1942, many journalists, in order to create a striking contrast, described the downright impoverished circumstances in which Kaiser had supposedly grown up. By contrast, the family tradition emphasized that the family's circumstances, while admittedly simple, had been characterized by his parents' irreproachable ethic of hard work. It is unlikely that Kaiser's father was able to make a living in the tiny settlement of Sprout Book, and in 1889, no doubt for economic reasons, the family moved west to Whitesboro, a prosperous town near Utica on the Erie Canal of nearly 1,600 residents. Whether his father continued

4 HJKP, 258/31, Parish Registers of St. John's Lutheran Church, Canajoharie, undated; Henry J. Kaiser Company, "Facts in Brief about Henry J. Kaiser," 1946, 43-46; Foster, *Henry J. Kaiser*, 7-9.

to work as a tradesman there or found employment in an industrial enterprise cannot be determined with certainty. Kaiser, at any rate, seems to have had closer ties to his mother, who died early, and to his three older sisters. The fact that he left school at age thirteen without a diploma probably says something about the family's financial situation.

There are no indications from any element of Kaiser's career that his German origins were important to him. How early his family's assimilation was completed is underscored by the quick change of his first name. Although it can no longer be dated precisely, it must have occurred long before World War I. In 1943, Kaiser's oldest sister recalled that in her childhood she never ate a meal without saying a prayer, and as the first-born she often had to lead the benediction — initially in German, but soon in English. Though his father was Catholic, Kaiser was raised in his mother's Protestant faith. In Sprout Brook, he attended services at the Methodist Church; later he became a member of the Presbyterian Church, and in 1939 he was confirmed by the Episcopal Church, in which he served as a lay reader.⁵

What is clear is that Kaiser's family endowed him with an irrepres- sible drive to achieve. He found his first job on his own, working as an errand boy at the J. B. Wells Dry Goods Store in Utica. In his spare time, he furthered his business education through a correspondence course. At sixteen he changed jobs. Between 1898 and 1900, Kaiser worked at three photography studios in Utica and Cortland. He learned the craft of taking photographs and then became a traveling salesman for Eastman Kodak products. In 1901, he seized the chance to become the owner of a photography studio in the Adirondacks resort town of Lake Placid. The rising vacation destination evidently offered sufficient income possibilities for rapid expansion: over the next four years, Kaiser opened four more shops in Florida, in Daytona Beach, Jacksonville, St. Augustine, and Palm Beach.⁶

Florida not only made his business independent of the short tourist season in Lake Placid, it was also the place where he met his future wife. His engagement to Bess Fosburgh (born April 9, 1886, died March 14, 1951), the only daughter of a wealthy timber merchant from a family of English ancestry, gave his career a decisive turn. His fiancée had enjoyed a much broader formal education at East Coast boarding schools and as a music student than the energetic salesman. That was probably also one reason why his future father-in-law insisted that he find something more solid than photography

5 Albert P. Heiner, *Henry J. Kaiser, American Empire Builder: An Insider's View* (New York, 1989), 2–8.

6 Foster, *Henry J. Kaiser*, 11–14.

and demanded that Kaiser build a house for his family and show assets of \$1,000 (or \$24,000 in 2010 dollars) and a monthly income of \$125 (or \$3,000) before the wedding occurred.⁷ Giving up his photography business, Kaiser headed west and moved to the booming city of Spokane, Washington. There he quickly earned great respect as a salesman with McGowan Bros. Hardware Company and met the challenges of his future father-in-law within ten months. The couple married on April 8, 1907, in Boston. Over the next seven years Kaiser changed jobs three more times, sold construction material, tools, and machines, and learned to manage projects in civil engineering and road construction. This on-the-job-training came to an end in 1914 when his employer went bankrupt and Kaiser continued the construction of a road in Vancouver, British Columbia, at his own risk. A local bank provided him with the necessary working capital and thus made possible the founding of the Henry J. Kaiser Company, Ltd.⁸

Paving Roads and Building Hoover Dam

Kaiser built roads. In the still largely undeveloped Pacific Northwest, in northern California, and in western Canada, the need was great, and already with the Federal Aid Road Act of 1916 it was foreseeable that the expansion of a highway network would generate projects for years to come.⁹ In the subsequent years, Kaiser developed his entrepreneurial style: nearly all of his construction projects were state or local contracts, and he prevailed in competitive bidding processes. Needless to say, the government client's engineers examined every bid. Therefore, the art of successful competition lay in drawing up realistic plans, submitting more favorable bids than the competition, and eventually building the project at less cost than originally projected. Since the contracts had to be carried out at a fixed price, Kaiser bore the business risk. If there were any unexpected difficulties, such as geological or logistical problems, he lost money. But if he could build more quickly and less expensively than anticipated, the project would generate profit.¹⁰ These incentives prompted a search for more efficient methods at every stage of the construction project, including planning and risk assessment, the extraction of raw materials, the transport of materials and the logistics this entailed, and the use of machines. It also paid to assemble a permanent cadre of qualified workers. Kaiser soon fell back on the experience of a team of construction foremen and engineers who would be part of his closest circle of leadership for decades. Kaiser soon earned a reputation in the region for completing his projects on time and doing

7 Here and subsequently, the 2010 dollar equivalents are given to provide a better sense of the scale of the business, notwithstanding methodological problems. The basis is the trend in the Consumer Price Index, see <http://www.measuringworth.com/uscompare/>.

8 Foster, *Henry J. Kaiser*, 18-21; HJKP, 258/28, "Chronology of Bess Kaiser's Early Life," undated.

9 Bruce E. Seely, *Building the American Highway System: Engineers as Policy Makers* (Philadelphia, 1987).

10 See for example HJKP, 276/21, "Agreement Kaiser and City of Vancouver," Jan. 12, 1914.

good-quality work at the agreed-upon price. He understood early on that every single project was important to his reputation among the public-sector clients.

During the first seven years, Kaiser's crews built roads with a total value of about \$2.8 million (or \$34.1 million in 2010 dollars). At first, smaller projects — the value of which rarely exceeded a quarter of a million dollars — predominated. This changed at the beginning of the 1920s, when the company began winning a continuous stream of million-dollar projects and the focal point of its operations shifted permanently to California.¹¹ Kaiser's family — now including two sons, Edgar Fosburgh (born July 29th, 1908, died December 11th, 1981) and Henry John, Jr. (born February 18th, 1917, died May 3rd, 1961) — moved to Oakland.¹² A small company headquarters was set up there for the first time, and the company's structure also began to solidify: Kaiser pursued a backwards integration strategy and began operating his own gravel and sand pits. At the end of the decade he began to build concrete mixing plants in the Bay Area, supplying them with his own raw materials. He became involved in professional organizations, and in 1924 he began a two-year term as president of the Contractors Association of Northern California. He also launched his first joint ventures with Warren Brothers of Massachusetts, a firm that had been supporting Kaiser with capital contributions and know-how since 1914. In California, an equally friendly relationship soon developed with Warren A. Bechtel (1872-1933), a descendant of German immigrants who by this time had laid the foundation for the largest construction company in the United States.¹³

Setting up these joint ventures became customary among most of the family-led construction companies because projects often required a variety of specialized skills that no single company could offer. In addition, this organizational setup accorded with Kaiser's temperament: throughout his career, he was involved in cooperative projects. It suited him to mediate between competing interests and to work toward accommodation as a moderator. The first major test came in the spring of 1927, when Ralph Warren invited Kaiser into a consortium to build 750 miles of highways and 400 bridges in Cuba over the following three years. For Kaiser, the \$20-million project (\$251 million in 2010 dollars) was an opportunity to prove himself once and for all within the circle of the established competition. It was not long before these allies invited him into a new consortium that was planning to bid on the construction of the Boulder Dam (renamed Hoover Dam in 1947).

11 Kaiser Company, "Facts in Brief," 45.

12 HJKP, 258/20, c.v. of Henry Kaiser, Jr.; HJKP, 258/29, biographical sketch of Edgar F. Kaiser, both undated.

13 Foster, *Henry J. Kaiser*, 30, 38.

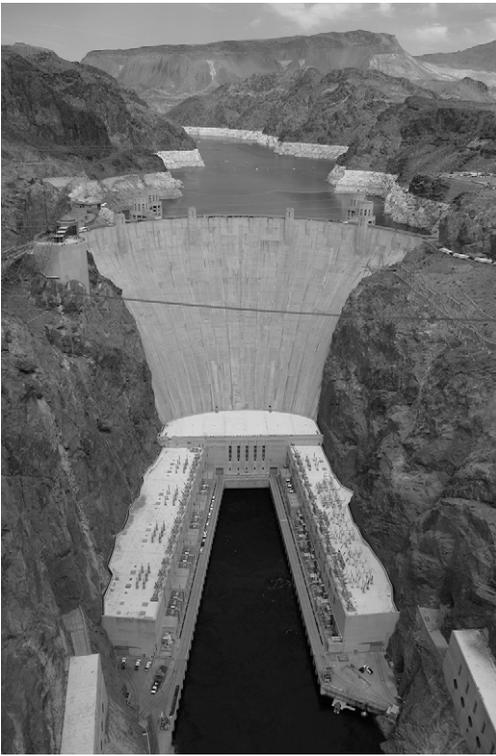


Figure 2: Hoover Dam, view from above by Tim Schanetzky. Courtesy of Tim Schanetzky.

The consortium, which came to be known as the Six Companies, won the bid on March 4, 1931, and Kaiser once again knew how to take advantage of the opportunities offered by this risky project. The construction would clearly be complicated and potentially dangerous: a dam had to be built that required more concrete than all the other dams commissioned by the federal Bureau of Reclamation combined; the Colorado River had to be temporarily rerouted, and four diversion tunnels had to be blasted into the walls of the gorge — and all of this in the desert without existing infrastructure. Kaiser advanced quickly to the leadership of the Six Companies' Executive Committee, and he also represented the consortium in its external dealings.¹⁴ Although the Hoover administration launched the prestigious project, when Franklin D. Roosevelt became president in 1933 he promised to take more active steps against the economic crisis, and this entailed larger investments in public in-

frastructure. Therein lay the largest opportunity: whoever succeeded on the Hoover Dam project could count on follow-up contracts.¹⁵ His profile also increased as he became vice-president in 1932 and then president, in 1933, of the Associated General Contractors, the national industry association.¹⁶

The power-conscious Kaiser played a major role in the creation of an advantageous division of labor among the consortium partners. On future projects, one entrepreneur always took the lead — for the most part because his workers had special expertise. This man was called the sponsor, and he asked all the other partners whether they wanted to join in. He paid the highest share of the financing. Once this was assured, the sponsor alone calculated the bid. If it was successful, he assumed full responsibility for its implementation. He requested the funds from his partners, but was solely in charge of carrying out the project. The sponsor could borrow highly experienced experts from his partner companies, and they could provide machinery and other equipment for a fee. This system could function only if there was reciprocal trust and a certain congruence of interests. It was

14 Resolution, May 31, 1931, in vol. 1, Six Companies Records, Bancroft Library.

15 Frank J. Taylor, "Builder No. 1," *Saturday Evening Post*, June 7, 1941, 9+.

16 HJKP, 256/28, "Awards, Honors, Tributes, Citations," undated.

successful because the sponsor alone oversaw the implementation of the projects, eliminating complicated decision-making processes — an organizational form that was well suited to the decision-making problems at major construction sites: “Each day brings new problems, each generally requiring an immediate decision,” a longtime Kaiser construction manager explained.¹⁷

Making New Deal Business

The Six Companies completed the Hoover Dam two years ahead of schedule, and as part of the consortium, Kaiser subsequently participated in several prestigious New Deal projects: dams in Bonneville, Grand Coulee, and Shasta, bridges and tunnels in California and New York, ports and jetties along the Pacific. These government contracts led to the paradoxical picture that Kaiser’s businesses prospered during the grim years of the Great Depression, and with typical entrepreneurial opportunism, he did everything he could to make himself appear in the best light to his clients. This is especially evident in Kaiser’s change of course on social and union politics in the middle of the 1930s.

No matter how successful the construction of the Hoover Dam may have been in technical terms, the young reformers in the Roosevelt administration felt that the way it had been carried out was scandalous. In their eyes, the price paid in blood by the workers and the stubbornness of the construction companies when it came to management policies weighed heavily. Officially, ninety-six workers died during the five years of construction on the dam. The real number was far higher and can no longer be determined, since a fatal workplace accident was reported only if the victim was killed directly on the job. To save money, the consortium used machines with combustion engines during tunnel work, but many workers who fell victim to heat exhaustion and carbon monoxide poisoning died hours after collapsing, not at the worksite itself. To critics it was obvious that they had fallen victim to the time pressure under which the Six Companies were working.¹⁸ The fact that Kaiser and the other consortium partners had massively violated work-hour rules fit into this picture, as did their unyielding dealings with the unions. Private security officers quickly set up a system of informants at the construction sites to counteract the organizational efforts of the radical Industrial Workers of the World (IWW). More than 1,000 workers ended up being blacklisted. Following a failed strike, they were fired.¹⁹

17 Christopher J. Tassava, “Multiples of Six: The Six Companies and West Coast Industrialization, 1930-1945,” *Enterprise & Society* 1 (2003): 1-27; Donald E. Wolf, *Big Dams and Other Dreams: The Six Companies Story* (Norman, 1996), 34-59; quotation: HJKP, 299; T.M. Price, *The Henry J. Kaiser Company*, c. 1950.

18 Joseph E. Stevens, *Hoover Dam: An American Adventure* (Norman, 1988), 60-65; Andrew J. Dunar and Dennis McBride, *Building Hoover Dam: An Oral History of the Great Depression* (New York, 1993), 36, 42, 100.

19 Michael A. Hiltzik, *Colossus: Hoover Dam and the Making of the American Century* (New York, 2010), 354-58; Stevens, *Hoover Dam*, 154-56.

Although the task of overseeing the operations of the construction site was not in Kaiser's hands, he did go along with the decisions of his partners, and even beyond the prestigious project on the Colorado, Kaiser did not stand out with any special commitment to social policies until the middle of the 1930s. He met the minimum legal requirements of the respective states, but when it came to health insurance, for example, he did only what was absolutely necessary. But with the creation of Social Security, the passage of the Wagner Act in the summer of 1935, and Roosevelt's anti-business reelection campaign the following year, it must have become very clear to Kaiser that the conditions of successfully running a business were fundamentally changing — at least for companies entirely dependent on government contracts, as he was. It was therefore no doubt largely due to the changing political climate that Kaiser was eager henceforth to have harmonious relations with the unions and soon agreed to sign closed-shop agreements.²⁰

It was characteristic of Kaiser that he accepted such circumstances and not only accommodated himself to them, but soon realized the advantages of the new course. Already during the construction of the Grand Coulee Dam he began to set up a corporate health insurance. His oldest son Edgar was able to enlist a doctor named Sidney R. Garfield to provide medical care for the workers and their families in remote Grand Coulee. Garfield had previously developed a business model at two similar construction projects in the wilderness, and it proved a worthwhile expense at Grand Coulee: while the employer assumed the majority of the costs for establishing a small hospital, the workers paid a fixed monthly fee in advance. Workers now went to the doctor more often and especially at the earlier stage of an illness, since they no longer had to worry about possible additional expenses. This accorded with the interest of the doctors in keeping control of treatment costs. As much as possible, they wanted to prevent serious illnesses that entailed especially expensive treatments. These financial incentives also led Garfield to commit himself to better job safety at the construction sites and to training workers in accident prevention. As the Kaiser company expanded — a development inextricably linked with World War II — Kaiser developed the prepaid health care plan into the nucleus of a separate business. After the war, and still under the leadership of Garfield, the sector then grew even larger thanks to cooperation with the unions, whose members streamed into the Kaiser Permanente Medical Care Program. By 1955, only five percent of the program's clients were Kaiser employees. By then

20 For example, HJKP, 4/1, "Agreement on Ruby Dam," Oct. 22, 1937; see also Rickey Hendricks, *A Model for National Health Care. The History of Kaiser Permanente* (New Brunswick, 1993).

Kaiser was so convinced of the merit of “his” health program that he recommended it to progressive politicians as a model. Especially because of its financial incentives, he argued that it was preferable to proposals for government-sponsored health insurance.²¹

Strategies of Success

Until 1940, Kaiser was active chiefly as a builder who was also involved in the sale of ready-mix concrete and the production of raw materials such as sand, gravel, or cement. The United States’ slow turn away from isolationism, however, and above all its support for its European allies, created opportunities for business expansion even before the launch of wartime production as such. The Kaiser company’s first military projects were in shipbuilding, but it soon became involved in machine building and extracting magnesium as a lightweight alloy. His engineers built blast furnaces, steel works, and rolling mills on the West Coast. Kaiser factories made airplane parts, bombs, and munitions. This surging growth reflects the general economic development in the United States: in the first half of 1942 alone, state and military agencies awarded contracts totaling 100 billion dollars (or \$1,340 billion in 2010 dollars), and it was only the military spending that put an end to the Great Depression.²² Against this background, Kaiser has very aptly been called a “government entrepreneur,” since the methods of his success reveal a good deal about the relationship between the state and the private sector during the New Deal and World War II.²³

Three strategies for success explain the course of his expansion. First, Kaiser was superbly prepared for the opportunities of a state-managed economy, because throughout his entire career he was active in a political and bureaucratic marketplace. The circumstances rewarded experienced lobbyists, and he clearly was that. Kaiser hired erstwhile Roosevelt confidant Thomas G. Corcoran (1900-1981) and attorney Charles F. Calhoun to lobby on his behalf in Washington, but he also succeeded in establishing important personal connections on his own and spent a good deal of time there.²⁴ His genial disposition and talent for salesmanship were also helpful. Sometimes he was aided by remarkable coincidences, such as his oldest son, Edgar, falling in love with and marrying (in 1932) the daughter of Elwood Mead, the longtime head of the Bureau of Reclamation.

More important, though, was the second strategy of success: speed. While the size of the contracts grew over time, Kaiser operated on

21 By the end of 1955: Foster, *Henry J. Kaiser*, 224; Hendricks, *A Model for National Health Care*, 142-62.

22 David M. Kennedy, *Freedom From Fear: The American People in Depression and War, 1929-1945* (Oxford, 1999), 626.

23 Adams, *Mr. Kaiser Goes to Washington*, 3-13.

24 “Memo: Corcoran and Magnesium,” undated, box 157, Thomas Corcoran Papers, Library of Congress, Washington, DC.

the same model he had used in his first road projects. The art lay in drawing up realistic plans, submitting more favorable bids than the competition, and eventually building the project more quickly and efficiently than originally planned. “Progress Charts” provided continuous feedback on whether the project was on track — in internal communications, speed was therefore also an important yardstick for the success of a project.²⁵ Higher speed meant rising profits, and it was to Kaiser’s great advantage that this accorded precisely with the logic of war production.

To this day, Kaiser’s prominence is largely due to shipbuilding. Here, too, profit was directly tied to speed, since the contracts included completion bonuses.²⁶ In addition, government procurement contracts facilitated the company’s growth through vertical integration. As an operator of shipyards, Kaiser immediately acquired a stake in the relevant supply industry. This alone explains one of his greatest successes: over the opposition of “Big Steel,” Kaiser was able to build a smelting complex in Fontana (east of Los Angeles) that soon supplied the sheet steel required for shipbuilding. Kaiser financed the building of Fontana with a loan from the Reconstruction Finance Corporation (RFC), but without the secure profits from the shipyards, this course of expansion would have been unthinkable. In addition to the smelting works, a part of the earnings of the shipyard served as collateral. In his highly unprofitable magnesium adventure, as well, he relied on the income from his shipyards, whose after-tax profit was reckoned at nearly 95 million dollars in 1946 (or \$1.06 billion in 2010 dollars).²⁷

In other words, only the great speed at which Kaiser built ships provided him with the financial resources to expand into other sectors of the arms industry — and to do so by making use of his third strategy of success: that of the outsider. Kaiser had experienced the effectiveness of this strategy for the first time when he suffered an unexpected setback in the wake of many successful bids. The Six Companies narrowly lost out on building the Shasta Dam on the Sacramento River. But since the delivery of sand, gravel, and concrete was put out to bid separately, Kaiser applied to supply these — although the cement plant he intended to build was still in the late stages of planning; the Secretary of the Interior, Harold Ickes, also signaled his political backing. Kaiser knew that public clients had been suffering for years from price fixing in the cement industry, and his bid was several million dollars below the price that the cement factories

25 HJKP, 269/15, “Construction Program for Boulder Canyon Project,” June 10, 1933.

26 HJKP, 136/26, “Profit & Loss: Maritime Shipbuilding Division,” May 31, 1945.

27 Data: *Hearings before the Committee on the Merchant Marine and Fisheries, House of Representatives, 79th Cong., 2nd sess., Sept. 23–26, 1946* (hereafter *Merchant Marine Hearings*), p. 418, table: “Adjusted summaries of shipyard income to May 31, 1946”; “Memo: Corcoran,” box 496, Corcoran Papers.

in Northern California had colluded to charge — even though their capacities were utilized at only sixty percent. Kaiser was awarded the contract, but this meant that he had to set up a cement plant at the Permanente Creek near Palo Alto posthaste, a plant whose long-term market prospects were uncertain. For five years it had a secure market for its output thanks to the dam’s construction, and additional contracts soon materialized as naval infrastructure expanded. Kaiser also managed to circumvent opposition from his competitors: when the Southern Pacific Railroad, under influence from the cement cartel, suddenly refused to transport sand and gravel to the remote construction site and also blocked a private feeder track, Kaiser simply had a 9.5-mile long conveyor belt built.²⁸

In a political environment in which reservations about big industry converged with the conviction that money should play no role in the arms buildup, the outsider strategy was unquestionably promising. Government contracts enabled Kaiser to disrupt oligopolies in magnesium and steel using tactics similar to those he had used in the cement industry. With ever greater frequency, government agencies complaining to Kaiser about supply bottlenecks aroused his interest in becoming involved in new sectors. In response, Kaiser engineers priced projects in copper, nickel, and tin production, as well as in the synthesization of rubber.²⁹ None of these schemes came to fruition, but procurement bureaucrats used the threat of the outsider to prod companies into relenting in price negotiations. Kaiser became known as a “One-Man Trust Buster”; his outsider strategy consisted of allowing himself willingly to be instrumentalized by government agencies.³⁰ Little wonder that established business owners grew to resent him.

Liberty Ships

During the war, Kaiser’s shipyards built 1,490 ships with a contract volume of more than five billion dollars (\$5.8 billion in 2010 dollars).³¹ Not only was this business financially profitable, it also catapulted the entrepreneur into the center of public attention. At the end of 1940, Kaiser had entered the building of cargo ships as an outsider. His first clients came from the United Kingdom: although the U.S. had long since begun to prepare itself militarily for war, until the disaster of Pearl Harbor in the following year it remained formally neutral. After the defeat of France and at the height of the Battle of Britain, logistical support for the desperate British war effort stood at

28 HJKP, 299, Alma Lindbergh, “History to 1946, Cadman Work Copy,” undated; Kaiser to Walter, Jan. 3, 1939, Department of the Interior to Kaiser, May 22, 1939, Bureau of Reclamation to Kaiser, May 10, 1939, and Ickes to Kaiser, Aug. 10, 1939, all in HJKP 4/20; HJKP 4/4, Bureau of Reclamation press release, c. Aug. 2, 1939; HJKP 3/29, Lindbergh to Kaiser, March 7, 1938; “The Earth Movers,” *Fortune*, August 1943.

29 HJKP, 136/32, Calhoun to Trefethen, Oct. 26, 1942; HJKP, 136/34, Calhoun to Trefethen, c. August 1942; HJKP, 136/35, “Design, Construction and Operation of Synthetic Rubber Plants,” Jan. 19, 1942, and RFC to Kaiser, Feb. 7, 1942.

30 HJKP, 259/12, “He’s Become a One-Man Trust Buster,” undated news clipping.

31 Data: *Merchant Marine Hearings*, 418.

the center of the American strategy, and transport across the Atlantic would remain important for years to come. The situation was so grave that the U.S. Maritime Commission was willing to make it possible for technologically inexperienced companies like Kaiser to get involved in building ships to a specified design known as “Liberty Ships.” That Henry Kaiser seemed to conjure shipyards in Richmond, California, Portland, Oregon, and Vancouver, Washington into existence, practically out of thin air, overnight, was a public impression that the company never dispelled. In reality, experienced shipbuilders and a core of skilled workers had lent substantial support to Kaiser’s men.³²

The United States’ entry into the war in December 1941 turned the “Liberty Ships” into a symbol for the Allied war efforts, the success of which was by no means evident in the first year of the war. The German “tonnage war” was aimed precisely at strangling Britain’s supply chains across the Atlantic, and with success: over the course of 1942, German submarines were able to send more tonnage to the bottom of the ocean than the shipyards could build new.³³ This was a huge shock for the United States. The U.S. Maritime Commission expanded its shipbuilding program accordingly, and even more importantly, more cargo ships were to be built within a shorter period of time. While the construction of the first “Liberty Ship” had taken 244 days, the average construction time soon dropped to forty days thanks to new welding techniques and a modular building method. In this general race to rationalize, Kaiser sharpened his profile with two propaganda actions: in Portland, the workers laid the keel of the *Joseph N. Teal* on September 13, 1942. Ten days later, the ship was launched in the presence of President Roosevelt. A few weeks later, the workers in Richmond were able to weld the *Robert E. Peary* together in only four-and-a-half days.³⁴

What was really an economic calculation — namely, to produce more rationally — was now considered by the American public as a patriotic act. In the summer of 1942, Kaiser went public with a bold plan that made his determination known to everyone. If German submarines were sinking the American ships too quickly, cargo planes should be developed and built in large numbers going forward — in his shipyards. Though the cargo plane proposal strikes one today as bizarre, it caused great excitement in Washington. Not only was Kaiser’s idea seriously discussed politically, it also set off a broad debate in the press that sought to hold the inefficiency of the administrative bureaucracy responsible for the military’s failures. The

32 HJKP, 288/3, Alyce M. Kramer “The Story of the Richmond Shipyards,” typescript, 1945, 10–11.

33 Kennedy, *Freedom from Fear*, 564–72.

34 Kevin Starr, *Embattled Dreams: California in War and Peace, 1940–1950* (Oxford, 2002), 147; Adams, *Mr. Kaiser Goes to Washington*, 112–13.

dynamism of free market enterprise was contrasted to the military as a superior organizational principle, and Henry Luce's publications *Time*, *Life*, and *Fortune* promoted Kaiser as a heroic figure.³⁵ Despite government subsidies, the cargo plane plan led to nothing, and a frustrated Kaiser soon also backed out of a joint venture with the erratic Howard Hughes

None of this diminished Kaiser's popularity. Though rhetorically untrained and more persuasive as a salesman in a small circle, the entrepreneur now became a sought-after speaker. While he had delivered only three notable speeches in 1940–41, in 1942 that number rose to fourteen, and between 1943 and 1945 he gave some eighty-eight addresses. His popularity was probably also derived from the fact that shipbuilding was so well suited to homefront propaganda: launches provided attractive pictures, as did the welders' showers of sparks and the assembly of pre-fabricated ship modules. In addition, the shipyards symbolized the war efforts of American civil society. Within months, more than 100,000 new workers had flocked to Richmond, among them many who had been suffering for two decades from harsh rural poverty. This "second Gold Rush" was reminiscent of frontier days: some workers' families lived out in the open or in provisional tent cities, and thousands of women were working in industry for the first time.³⁶ The emblematic "We can do it" of the official campaign around the propaganda icon "Rosie the Riveter" thus certainly captured one dimension of the reality of work in the Kaiser shipyards. The shipyards themselves experimented with similar campaigns, though they wanted to place more modern technology front and center; the result was the propaganda figure "Wendy the Welder."³⁷

Kaiser the Pacemaker

In general, Kaiser had a talent for undertaking the right symbolic actions and complementing them with a suitable narrative about himself. In a period defined by complex, multilayer corporate bureaucracies, Kaiser presented himself as little different from a traditional shop proprietor. This was the core of his strategy of personalizing his business, which stood in sharp contrast to reality — after all, Kaiser worked within the framework of larger consortia not only when it came to building dams. For example, while the public identified exclusively Kaiser with the revolution in shipbuilding through serial production, the facilities in Richmond remained in the possession of

35 Adams, *Mr. Kaiser Goes to Washington*, 107–18; 123–44.

36 Marilyn S. Johnson, *The Second Gold Rush. Oakland and the East Bay in World War II* (Berkeley, 1993), 30–59; Paul Rhode, "California in the Second World War: An Analysis of Defense Spending," in *The Way We Really Were. The Golden State in the Second Great War*, ed. Roger W. Lotchin (Urbana, 2000), 93–129; see also Katherine Archibald, *War-time Shipyard: A Study in Social Disunity* (Berkeley, 1947).

37 Penny Colman, *Rosie the Riveter: Women Working on the Home Front in World War II* (New York, 1995), 68.

the U.S. Maritime Commission, and initially Kaiser only held only a minority share in the operating company. Until the end of 1941, half of that company belonged to the established Todd Pacific Shipyards, while the other half was in the hands of a consortium, which Kaiser headed, but his partners from the construction industry held more shares than he did. Even after the separation from Todd, Kaiser's ownership share remained at just below 24 per cent. To some extent, then, other companies were able to become "silent partners" in profiting from Kaiser narrative.³⁸

If one examines the semantics of his success more closely, what stands out is Kaiser's meticulous dedication to marketing his own capabilities and reliability. In every bidding process, the entrepreneur deployed relevant materials, submitting not only the technical requirements for the bid, but also added photographs and statistics to remind the client of his record for supplying the highest quality at the lowest price. This reputation was his most important resource, and early on, Kaiser employed in Oakland an archivist to oversee the company's historical records. Her department provided the material for a constant stream of new compilations. They turned the personage of the entrepreneur into the focal point of what were really highly disparate projects; financial aspects were masked in favor of the technological accomplishments. A narrative that focused on a sequence of successful projects was used to make the client feel that he could confidently rely on Kaiser to execute it successfully. Later, when Kaiser was put on the defensive with respect to his company's social policies, he enlarged this apparatus: the result was the emergence of a PR department whose members supplied the material for the political apologies that were distributed in print runs numbering into the tens of thousands.³⁹

What was decisive, however, was the systematic cultivation of the semantics of speed. Just how much Kaiser also instrumentalized private matters in the process, and how fluid the boundaries were between personal temperament, symbolic actions, and systematic marketing, is revealed by the story told about the building of his summer home on Lake Tahoe: "Kaiser saw a ten-acre piece of lake front that he would buy cheap. A creek fed into the acreage and it was largely swamp. Kaiser bought the land on Saturday, had power shovels, dump trucks and bulldozers at work on Sunday, was draining the land and dredging a speedboat harbor by Monday, had an architect down from Portland, Oregon, by Tuesday, began building a lodge,

38 *Merchant Marine Hearings*, 395-401.

39 HJKP 299, History of Kaiser Organizations, 3 volumes, undated; HJKP 127/35, O'Conner to Fawcett, July 24, 1947; HJKP 276/36, "Brief Summary of Experience of the Kaiser Organization," March 1945.

boathouse and four stone cottages by Wednesday, with a crew of 100 men at work. The equipment made so much noise that neighbors sought an injunction to restrain him at night, but before the sheriff could serve the papers the project was finished and the machinery was gone. It had taken Kaiser twenty-eight days to turn the swamp into a landscaped show place.”⁴⁰ This, or something similar to this, is how newspapers reported the story in the summer of 1941 in their first portraits of Kaiser. The construction of the compound six years earlier had actually taken closer to two months. Still, the rapid construction of the house so close to the official completion of the Hoover Dam was a demonstration. Kaiser’s younger son instrumentalized it for the first time for PR purposes in his May 1935 speech at the victory celebration of the Hoover consortium. Soon after it was available in print and distributed to business partners and politicians.⁴¹

This is not the only case in which it is hardly possible to separate character and stylization, reality and staging. Kaiser was reportedly a terrifyingly dashing driver, though there is no evidence to that effect. But the files do reveal that he engaged in speedboat racing with his neighbors in Tahoe. A constant phone user with supposedly the largest long-distance phone bill in the American West, owner of the largest cement factory in the world, inventor of the longest conveyor belt in the world — where the press was hungry for superlatives, Kaiser obliged. Even that he was an immoderate eater (confirmed by the cholesterol values in his medical file) readily fit into this picture of a restlessly energetic man of action. Only on one occasion was the reporting about his urge to forge ahead speedily unpleasant: when his wife Bess died in 1951 after a long illness and the 68-year-old widower announced two weeks later that he would soon marry 34 year-old Alyce Chester — the long-time private nurse of his wife.⁴²

Planning for Post-war Prosperity

Kaiser had been thinking about America’s post-war economy as early as 1942, and he put a team of engineers to work designing new products for the civilian market. Even if ideas such as a one-person helicopter or a lightweight car did not pan out, Kaiser was persuaded that California offered dramatic possibilities for development and he drew the picture of a consumer society that would be characterized by pent-up demand that government, unions, and businesses would have to cooperate to bring to fruition.⁴³ He invested his profits from the armaments business accordingly. When the war ended Kaiser

40 Taylor, “Builder No. 1.”

41 HJKP, 255/1, “Testimonial Dinner,” May 9, 1935.

42 HJKP, 260/9, “Medical records Henry J. Kaiser”; Heiner, *Empire Builder*, 361–74.

43 HJKP, 127/16, clipping of *Congressional Record*, July 23, 1942; see for example HJKP 262/19, Henry J. Kaiser, “Management Looks at the Post-War World, Address before the Annual Meeting of the National Association of Manufacturers,” Dec. 4, 1942.

made no efforts to purchase the shipyards from the government which owned the plants. In the same way he exited as the operator of the magnesium facilities and left them to their uncertain fate. However, he kept the steel works in Fontana. In the future, the steel and health care sectors would be joined by two others: aluminum and cars. In the 1950s, Kaiser also created Engineer Consulting, since his organization had gathered important experiences during the war, which it henceforth marketed as engineering services.

The preconditions for the large restructuring of the company were created once again by the state. The military now approached the conversion to a peacetime economy with the same carefree attitude with which it had disregarded the necessary financing for the arms buildup. Within a very short period, so-called surplus property — mostly equipment and plants — valued at 17 billion dollars (190 billion in 2010 dollars) passed into private hands. This promoted the kind of concentration of economic power that had already become apparent in the war economy: two-thirds of this property went to only eighty-seven large companies at rock-bottom prices.⁴⁴ This is also how Kaiser acquired the new segments of this company. Since 1943 he had been sounding out possibilities for entering automobile manufacturing, and in July 1945 everything moved very quickly. Within a few weeks, a cooperation with Joseph W. Frazer came into being, which eventually led to the founding of the Kaiser-Frazer Corporation. Frazer had decades of experience in Detroit and had helped the Jeep manufacturer Willys-Overland to succeed during the war. The partners each took half a stake in the new joint enterprise and leased from the RFC the shuttered Ford factory at Willow Run, in Michigan, where B-24 bombers had been produced on the assembly line during the war. Initially the partners covered their need for capital with Kaiser's first public offering, and the production of the first cars began in 1946.

Kaiser also entered the aluminum industry by following the same pattern. At the beginning of 1946, the RFC solicited bids for operating production sites that Alcoa, as the previous lessee, did not believe had any chance as civilian plants. Although Alcoa was known for the rigid methods with which it defended its *de facto* monopoly, Kaiser initially received open support from the company because the Justice Ministry pushed Alcoa to do so by pointing to the Sherman Antitrust Act of 1890. Nevertheless, Kaiser's production of aluminum remained initially dependent on Alcoa. Only the new armaments boom

44 Kennedy, *Freedom from Fear*, 622.

connected with the Korean War brought the turnaround: the sector expanded massively and moved closer to its customers through a new plant in Louisiana. Kaiser-Frazer, however, very quickly had to struggle with structural problems. The rapid start of production had created problems with quality, and the company lacked a qualified network of dealers and repair shops. With sales declining, the capacity of Willow Run could not be fully utilized, with the result that a renewed conversion to armament production at least ensured some financial relief there. In 1953, Kaiser took over the Jeep manufacturer Willys-Overland, sold Willow Run to General Motors, and moved its automobile production to a new location in Toledo, Ohio.⁴⁵

Defensive Measures

In one respect, the expansion of this second Kaiser company differed quite profoundly from the expansion phase in 1904–1943: it took place in a changed socio-political climate. To be sure, Henry J. Kaiser and his lobbyists managed to gain the sympathies of the trust-busters for his involvement in aluminum and in Detroit. However, since 1945 his form of entrepreneurial activity that was close to the state had come under increasing criticism. Kaiser and a few of his managers had repeatedly testified before Congressional committees throughout the war years. The investigations of the Truman Committee and hearings on labor shortages or the technical problems of shipbuilding had offered Kaiser a stage for self-promotion.⁴⁶ This changed when a committee in the House of Representatives took a close look at war profits in shipbuilding: the representatives asked tough questions, expected comprehensively documented answers, and the hearings were pervaded by an aggressive tone. Critical press reports accompanied the time-consuming hearings.

Kaiser's status created a prominence that eventually made a scandal out of his successes. His opponents argued that his company had received illegitimate profits that could only be explained as the result of "favoritism." To be sure, Kaiser had plenty of enemies: his outsider strategy had contributed to this from the very beginning. He likely gained more enemies at the beginning of 1946, when, during the serious conflict over collective wages in the steel industry, he not only joined the side of the government, but in addition also undermined the negotiating position of his colleagues in the industry through public criticism.⁴⁷ To the steel barons and their allies, Kaiser was now seen as a Socialist more so than ever before. Even if Kaiser

45 Heiner, *Empire Builder*, 223–49, 266–307; Foster, *Henry J. Kaiser*, 145–64, 200–209.

46 U.S. Senate, *Hearings before a Special Committee Investigating the National Defense Program*, 77th Cong., 1st sess., Jan. 14–April 3, 1943, 7009–32.

47 HJKP, 263/6, press release, Jan. 19, 1946.

merely testified as a witness, as he did during the investigations against Howard Hughes, for example, the charge of favoritism by the government hung stubbornly in the air. To be sure, more than once his enemies operated with unjustified accusations. From Kaiser's perspective, however, the damage to his image weighed heavily, and thin-skinned as he was, he began a battle for his reputation that he waged with all possible PR means. He long since considered the capital the "center of the 'Get Kaiser' snipings." Kaiser advanced his view of things in an endless stream of press releases, counterstatements, and propaganda brochures. In the process, Kaiser bet entirely on persuading the public, even though that is precisely where the sentiments had fundamentally changed — a shift that had already been revealed by the Congressional elections in November of 1946, when the Republicans captured the majority in both houses of Congress for the first time in fifteen years. But Kaiser was convinced: "Our democracy is based on truth. The men who have been attacking me with half-truths and misrepresentations have forgotten that. The truth will reveal the reasons for their secret plotting and vicious campaign. I think investigations are wonderful. Democracy lives only through full disclosure."⁴⁸

As long as important plants of the company were in fact government property and merely leased, as long as the RFC was financing Kaiser's enterprises with loans totaling nearly \$150 million (or \$1.67 billion in 2010 dollars), and as long as Kaiser was thus clinging to a state-centric business model, the accusation that his success was not due to free competition but government assistance could not be dismissed. One example of the repercussions of this defensive position is Kaiser's activity on behalf of the Fontana steel plant. Its expansion was incomplete, since it had been conceived during the war as a pure supply plant for the shipyards; when it came to further processing in the rolling mill, investment was urgently needed to refit it for offering products for the civilian market. Kaiser would have much preferred to build the plant directly on the coast, but the military prevailed in forcing an inland location, which entailed high freight costs. Unlike the shipyards, the smelting complex was owned by Kaiser and had been financed with RFC loans. In 1945, Kaiser began to lobby the state agencies for a reduction of the remaining debt. When it came to Fontana, the same criteria were to apply that were used in the sale of surplus property. The basis for comparison was a plant operated by U.S. Steel in Geneva, Utah. It had cost nearly twice as much as Fontana, and the steel company was able to acquire it on

48 HJKP, 277/14, "Outrage in Steel, as told by Henry J. Kaiser"; HJKP 263/20, press release, Sept. 20, 1946; see also Kaiser Company, "Facts in Brief"; quotation: HJKP 263/15, Kaiser over ABC, Aug. 7, 1946.

favorable terms after the war. Kaiser fought nearly four years in vain: the RFC insisted on repayment of the outstanding loan and declared itself merely willing to support the expansion of the plant.⁴⁹ The fact that this political failure coincided with financially successful years made it easier for the company to embark on a fundamental change of course: with mediation from his home bank in the West, Bank of America, in 1948 Kaiser for the first time approached East Coast banks with his wishes for financing. First Boston Corp. organized a public offering. The money it raised, together with retained profits, helped Kaiser to acquire complete ownership of the leased aluminum plants for thirty-six million dollars. A year-and-a-half later, Kaiser Steel proceeded the same way and took in \$125 million (or \$1.1 billion in 2010 dollars). With that, Kaiser completely redeemed the RFC loan on Fontana.

This separation from the state was a symbolic act, since even after this financial reorganization his engineers continued to win government contracts, and the military was dependent on Kaiser's products during the Korean War and later in Vietnam. This move becomes understandable if one considers, in addition to the sociopolitical background, the changing leadership conditions within the company. Together with Edgar Kaiser, a phalanx of younger managers moved into the company's burgeoning upper management, and Henry J. Kaiser was soon barely present in the day-to-day business activities. After the death of his wife Bess, Kaiser married Alyce Chester on April 10, 1951, and soon resettled with her in Hawaii. The elder Kaiser kept on top of all important questions — at one point provoking a serious leadership crisis in the health company Kaiser Permanente because he constantly interferred in details and personnel questions. But the Kaiser Company's separation from the state, and thus Henry J. Kaiser's model of government entrepreneurship, evidently also eased his successor's path. In any case, Edgar Kaiser made a name for himself as the head of a company that transformed itself rapidly into a multi-divisionally organized managerial enterprise during the 1950s. Its central administration grew robustly and in this respect, as well, moved away from the personal leadership of the owner. Moreover, the capital requirements of the industrial enterprise soon exceeded the possibilities of self-financing through retained profits, with the result that by the middle of the 1950s, the Kaiser family was no more than a minority owner of important subsidiaries, for example in aluminum production, while 62.7 percent of the company's stock was already in outside hands.⁵⁰

49 HJKP, 289/24, "Fact Sheet Kaiser Steel," c. 1948; Kaiser to Harold Ickes, March 22, 1947, box 69, Harold Ickes Papers, Library of Congress.

50 "Kaiser Aluminum — Henry J.'s Marvelous Mistake," *Fortune*, July 1956; Heiner, *Empire Builder*, 276–79.

Social Status

Like many successful entrepreneurs, Henry J. Kaiser was a fairly one-dimensional talent with barely any interests beyond his business. He remained active in business until his death, spending his sunset years developing real estate and tourism projects in Hawaii. Beyond his love for fast boats, which fit so splendidly into the speed narrative, the sources barely reveal a private hobby of the entrepreneur. He did not hunt and traveled only when business required it. Kaiser did not buy any works of art and was not an active patron of culture. He also did not host any charity events through which he could have made a name for himself in the social circles of the communities where he lived. To be sure, in the course of his life he was a member or functionary in nearly ninety organizations, associations, and societies. But most of these posts arose from his business, and his membership in the usual local clubs of prominent individuals barely went beyond what was expected from a man in his position.

The entrepreneur's family lived a financially carefree life, though measured against the dimensions that the company soon took on, it in no way suggests a special need for status. Well into the 1950s, the seat of the company remained a plain commercial building in Oakland, and the successors of the founder undertook the construction of a representative headquarters only when the need for space had made it unavoidable. Kaiser sought to ensure the resulting complex demonstrated a variety of uses for aluminum as a construction material.⁵¹ Privately, too, the family lived comfortably, but without the desire to show off their success by building architectural landmarks. Only the summer estate in Lake Tahoe, which Francis Ford Coppola used in 1974 in *The Godfather: Part II* as the residence of the Corleone clan, stood out because of its generous guesthouses. But if Kaiser had the construction of a "family home" in mind, his plan failed. By the early 1950s, the estate was mostly being used as a conference center for the company's top managers rather than as a private retreat.

Kaiser evidently had little taste for the forms of conspicuous consumption that were typical of patrician families on the East Coast. Although Kaiser owned millions in equity stakes, from his perspective the accumulation of wealth was not the real goal of his work but rather a secondary effect. A 1946 insurance inventory, for example, listed as the significant valuables in Kaiser's private homes only some jewelry and furs belonging to his wife Bess, the insurance value of which was put at \$125,000 (or \$1.39 million in 2010 dollars).⁵² Kaiser's

51 Lauri Puchall, "Looking Down on Creation," *The Monthly*, Nov. 1906, <http://www.themonthly.com/architecture11-06.html>.

52 HJKP, 296/16, Personal Furs and Jewelry, Jan. 12, 1946.

private income also remained relatively modest. Even in an economically outstanding year like 1943, it was just about \$310,000 (or \$3.91 million in 2010 dollars). Sixty percent of it came from investments, forty percent from salaries and dividends. This compared to personal expenses and the maintenance of his residences that amounted to \$91,000 (or \$1.15 million in 2010 dollars). That same year, the shipyards, alone, recorded profits in the double-digit millions.⁵³

This modest approach towards wealth also characterized the spirit in which his two sons were raised. Both Edgar and Henry, Jr. went through practical training in the company. Unlike their father, however, they also received a formal education. While Edgar ended his economics studies in Berkeley without a degree, his younger brother graduated with a degree in economics from Stanford. The father made it possible early on especially for his older son to prove himself in business, and on the whole one can say that Henry J. Kaiser's temperament was no obstacle to the succession arrangements: beyond all the public image that was created, the founder was in fact characterized by a restless drive that was continuously urging him forward. It was accordingly easy for him to cede management of some aspects of the company, creating space for Edgar to establish himself as a leader within the company in his own right. Rather than Kaiser, it was his first wife, Bess, who repeatedly took the initiative to look back at what had been achieved, undertaking genealogical research on her side of the family history. Nobody searched out Henry J. Kaiser's German roots, which underscores once again how little his origins contributed to his family's identity.⁵⁴

How important the Protestant faith was to Kaiser is difficult to assess, since we lack personal documents such as family correspondence or diaries. What is clear is that in Tahoe Henry and Bess Kaiser cultivated a close relationship with Noel Porter, the Episcopal bishop of Sacramento. This relationship had its beginnings at the Outdoor Cathedral in Sacramento, where Porter confirmed the couple on July 30, 1939.⁵⁵ Kaiser delivered several sermons there, just as he generally contributed during the last two decades of his life to cultivating his own myth in many varieties of Protestant devotional literature. As a result, his public dictates turned increasingly into a caricature: everyone had his life in his own hands and could achieve the greatest successes if he only believed in himself; problems or setbacks were in the final analysis only opportunities and possibilities that one

53 HJKP, 296/17, Ledger Book Henry J. Kaiser personal, 1933-1951.

54 HJKP, 258/20, Bess Kaiser to Sherwood, Nov. 21, 1946.

55 Heiner, *Empire Builder*, 2-8.

had to take advantage of.⁵⁶ Henry, Jr. demonstrated in his private life just how potent this narrative of paternal success was. In 1944, Henry, Jr., was diagnosed with multiple sclerosis, and described how, following his father's philosophy, he fought the disease with all his might: "Since I was a small boy, each time I got into difficulties in my daily life and asked him for advice, he would tell me, 'Problems are only opportunities in work clothes.' If you meet your problems with courage . . . you will find that problems will become not something to be avoided as undesirable, but rather opportunities for self advancement."⁵⁷ In spite of all his exertions, Henry, Jr., died at the young age of forty-four, and the fact that his father gave most of his wealth to a family foundation promoting medical advancement also had something to do with this experience.

Conclusion

Kaiser's importance in the creation of the modern American West cannot be overstated. This is most evident on the eastern side of San Francisco Bay, where his companies contributed significantly to the growth of cities like Richmond and Oakland. Kaiser engineers planned and built substantial portions of the region's public infrastructure.⁵⁸ Bridges and roads, river regulation projects and dams, pipelines and public transportation facilities, the supply of drinking water and cheap energy, the creation of steel production on the West Coast, and, finally, the building of houses and apartments — Henry J. Kaiser's entrepreneurial activities played a crucial part in creating the preconditions for decades of prosperity throughout the region. And yet he has been largely forgotten today. To be sure, the healthcare company Kaiser Permanente with more than 180,000 employees is among the largest of its kind, and the plants of Kaiser Aluminum also still bear their founder's name. However, Kaiser's descendants are not involved in either company, and the rest of the conglomerate did not survive the transition to second-generation control and the upheavals attendant upon the beginning of globalization as a cohesive family possession.

The founding and expansion of this company points to the specific conditions of a short period of American history, and for a brief moment Kaiser seemed to symbolize all the promises and hopes of the era's progressive politicians: the possibilities of the American West, the feasibility of grand ideas, the drive and energy of free enterprise, and, finally, a consensus between state, unions, and enlightened

56 HJKP, 263/17, Henry J. Kaiser, "If He Walked the Earth Again," address delivered in the Outdoor Chapel, Lake Tahoe, Aug. 18, 1946; Henry J. Kaiser, "Try," *The Instructor*, June 1961; "Henry Kaiser's Seven Keys to Success," *Reader's Digest*, Nov. 1961.

57 HJKP, 258/20, Henry Kaiser Jr. to Ellinger, Sept. 7, 1948.

58 Johnson, *The Second Gold Rush*; Rhode, "California in the Second World War."

entrepreneurs that was necessary for the welfare of all. In the process one should not lose sight of the fact that Kaiser was, first and foremost, an entrepreneur and acted as such. He provided services and products guided by social needs, and he did so with the kind of opportunism that typifies many businessmen. While it is true that he was not in the camp of the Roosevelt enemies, it would be equally naive to suggest that he had a political program of his own. In that sense it is not without irony that to the same extent that progressive ideas were questioned, entrepreneurs like Kaiser were attacked. To his enemies, Kaiser served as a disturbing symbol of those forms of Big Government they believed had to be overcome once and for all.

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