



Bob Lundeen Oral History Interviews, August 13, 2013

Title

“The End of the Dow Years and 'Flunking Retirement'”

Date

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Location

Lundeen residence, Lake Oswego, Oregon.

Summary

In interview 4, Lundeen speaks to his brief experience as head of Dow Latin American Affairs, his chairmanship of the Dow board and his retirement from Dow Chemical. He also reflects upon other topics including his time at Tektronix, his philanthropy at OSU - specifically the OSU library renovation project - his love of Orcas Island, Washington and his thoughts on effective leadership.

Interviewee

Robert Lundeen

Interviewer

Chris Petersen

Website

<http://scarc.library.oregonstate.edu/oh150/lundeen/>

Transcript

Chris Petersen: Okay, Bob. Here's our second interview on today, the August 13th, 2013. When we left off, you had just moved into the position with Latin American affairs, and I understand that was a short-lived position for you.

Bob Lundeen: Yup. Yeah, it was, because, shortly after—shortly after I'd signed up for that, which, you know, I didn't think was a very good idea anyway, I got a phone call from—well, I'd been down in Latin America, and I just did my first swing around the territory. And I was in Colombia, and I got this fax, or some kind of message, from one of the powers-that-be in Midland, and he said that—I think Gerstacker was the chairman of the company then. We were going to have a board meeting in Midland, like on Thursday, or something like that. So I suited up and flew to Midland.

Found that there was a substantial—oh, there was a substantial group of directors who weren't enamored of Zoltan Merszei as the head of the company. So, there were two—the board selected two directors who were not standing for office when their term as directors retired. We had a pretty strict rule that at age 65, or your first—well, when you were age 65 you had to retire, anyway. So anyway, there was this group that wasn't in favor of Zoltan. So two directors who didn't have to stand for re-election were appointed to subcommittees, and in each of them, they kind of split the number of directors in half, so they could develop information on—this was for real, and we ought to do something about it.

So we had a meeting of the board, in the boardroom. And so, a vote was called for. Everybody took a piece of paper at his desk, and wrote yes or no. And, so we had Frank Harlow, who was the chief counsel for the company, read those—not aloud, but counted the votes, and Zoltan didn't cut it. So, we had a change at the top. And so Ben thought a lot of Zoltan, and so we created a position of chairman; Branch stood aside, and let Zoltan have the position as chairman. So, well, after that was taken, then we had another vote, and we elected—what the hell came out?

Orrefice. Paul Orrefice was elected as chief executive. [0:05:02] And Orrefice and I had worked together a lot when we were getting the business organized in Spain, and making Dow [unclear]. So Paul and I were good friends, and both thought well of each other. And Earl Barnes, who was the chief honcho of the company in engineering and research, and that kind of thing, was elected as another executive vice president. So it was a kind of a troika. So we ran that way for—

CP: You were the third executive vice president? The other one, the third member of that troika?

BL: I was the third. So we had two executive vice presidents, and Paul Orrefice was the president.

CP: Were you elected at that meeting, or was that something that came later?

BL: I don't know, maybe. I don't know if it was the next meeting, or the next day, or what it was. We didn't screw around with time. So I think that Ben wasn't very happy with the development, but he stood. But he became chairman then, I think, Branch did.

CP: Chairman of the Board?

BL: Yeah. In Dow in those days, the president was the chief executive, not the chairman. So anyway, Orrefice became the president of the company, and Branch looked at the technical side, and I looked after everything else.

CP: So what did that mean for you?

BL: I had a different title; didn't change my job. I mean, I was doing the same thing as I had been doing before, so.

CP: A sort of outreach position, that kind of thing?

BL: Well, yeah, yeah. Yeah, my salary didn't change. [Pause] I just stayed doing the same thing until I retired.

CP: But you moved back to Midland at that point?

BL: Yeah, I moved back to Midland then. Yeah, we didn't have anything to—we didn't have any family. We already built this—Well, it's been so long, I've forgotten what house. I think we had—we were building our house in—not going back

to Midland, we were going back to Orcas Island, because we had started to build a house there already, in contemplation of retirement. We knew that was going to be when I was 65. But we made that decision; we didn't have—it was before all of this [laughs] terminal excitement. So after we built the house, and the house on Orcas Island wasn't quite done, so I don't know how we—I'm not exactly sure whether we stayed in a motel, or something like that, until the place got done.

CP: It sounds like you became chairman of the board as well. Is that correct?

BL: Yup, I did. But my duties hadn't changed as chairman of the board.

CP: So it was just a different title, basically?

BL: Well, Orrefice was the president; Barnes was an executive vice president. I don't know whether Branch stayed on as chairman or not. Or maybe I became chairman when Barnes retired. I've really forgotten the details of that. But I know I had to retire at 65.

CP: Yeah.

BL: Yeah.

CP: Is Keith McKennon somebody that you knew?

BL: Oh, very well. Still do.

CP: He's another OSU guy.

BL: Yup, yup. Yeah, I know Keith. [0:09:59] Great guy. I still see Keith every now and then, except for he's really had—I don't know. For decades he's had a lot of health problems; still does. I saw him up here; I saw Keith and Pat not too long ago. They've got a very nice place down in the desert in Arizona. But Keith had a whole series of tough health problems which seem to be okay, but not outstanding.

CP: What was his role in Dow?

BL: Well, when Orrefice and I moved into the top echelons, we asked Keith to come over and run, be in charge of public affairs, broadly speaking. Keith has great judgment, and a great personality, too. So he built the job for us. Before that, we had a person—and I forgot what his name is now—who was in charge of public affairs, but, gosh, I'm trying to think where he came from. He wasn't a technical person. He wasn't an accountant, but his background wasn't nearly as good as Keith's was, so we gave Keith the job. We created a new job for Keith; we didn't turf out the other fellow. We let him keep doing what he was doing, but Keith started running public affairs, and he kept doing that until he retired from Dow. Oh, but by that time, Keith had been on the board, too, of Dow, for quite a long time. But when he got to retirement age, then he and Pat moved down, got this place down in the desert, and they live there now.

CP: During lunch you talked about, one lesson that you learned was that you shouldn't sit on bad news, keep it quiet?

BL: Yup, right.

CP: Were you ever in a situation where you had to talk about something that was controversial, or had to deal with the public on something that was controversial?

BL: No, I'm trying to think. No, I didn't really.

CP: So that wasn't a lesson you learned the hard way?

BL: No, it wasn't a lesson I learned the hard way.

CP: Well, you retired from Dow in 1986.

BL: Yup.

CP: This is the 65-year-old rule, I assume?

BL: Yup, yup. And I'd worked for Dow for 39 years then. I just calculated that the other day. I thought it was 40 years, but it fell shy of that.

CP: Was that at all bittersweet, or were you ready to move on?

BL: Oh, I was happy to move on. Yeah, we finished our house up on Orcas Island, and did a lot of travelling. Yeah, it was good.

CP: That was also around about the time you began your association with Tektronix, is that correct?

BL: Yeah, I began that when I was just going to retire from Dow. About three months, maybe a little longer than that, when I was going to retire from Dow, I had a headhunter come and see me, to see if I'd like to be on the board of Tektronix. I didn't know Tektronix from anything. I didn't know anything about electronics, but they wanted a new board member who had had wide international business experience, and I thought, well, I think I could pass muster on that. And it'd be fun to learn something new about a different kind of business, so I said yes. And at that moment, Howard Vollum was very ill, very ill indeed, and he died. Oh, I'd had a chance to meet him. I went down to Portland and met him, but he died just a little later. And we put Jean on the board, then.

CP: Jean?

BL: Vollum. And then we had, in Tektronix, a great contrast to Dow, they had [0:14:59] [pause]—oh, I'm trying to think how I can describe it. Dow, it had an almost all inside board, too, so we had to get a replacement, and Tektronix had a very—you know, they never fired anybody at Tektronix; just never did. They had a fellow who was—I'm trying to think. Was he chairman, or president? I forgot. But anyway, he didn't do very well. So we gave him an early retirement and a handsome pension, and then we had to get a new chief executive. And of course there was quite a hoorah about this, because at that time Tektronix was one of the largest employers in the state of Oregon.

And it was Jack who was the other—Jack Murdoch? I think that's who it was. Yeah, he was there. And that management arrangement didn't work very well, so we decided we had to make another change. And we had a fellow by the name of Friedley, Dave Friedley, who had been running the Grass Valley Group. Tektronix made these electronic systems where they could suit up for a big football game, or something like that. They had all of this equipment in a trailer, so they could do lights and video, and that whole thing, and that's what the Grass Valley Group did. But they were only a relatively small part of Tektronix.

But, after we sort of cleaned, or changed things at the top, we had to get a new head. And Friedley had been doing a pretty good job in the Grass Valley Group, and he—it was a very small group, and he knew it like the back of his hand. But now he got into Tektronix, where Tektronix had an incredibly complicated managerial system where, I think they had 24 different units doing different things, in a small company. And you know, each one had its ER group, and a controller, and all of these kinds of things. They had overhead that wouldn't stop. And so, we thought, well, we'll put Friedley in charge of that.

It wasn't very long before we decided that Friedley had flunked, also. So that's when I became the head man at Tektronix, until we hired a new CFO, a new chief executive, Jerry—God, I hired him; I should remember. Jerry Meyer; he came from Honeywell. He was good, Jerry. Jerry really turned things around. And after he came on board, then I retired at the next board, at the next annual meeting. And as Betty said, I flunked retirement.

CP: How long were you chief executive?

BL: Oh, six or eight months. I was an employee, and I still get a pension from Tektronix.

CP: So it was never something you thought of as a long-term situation?

BL: No, I didn't need another job. I had plenty of experience. I was getting to be an old man. I was probably 68 or something like that, so. [Laughs] [0:20:01]

CP: Something else that we were talking about at lunch was the Dartmouth conferences.

BL: Yeah.

CP: Do you want to talk about your association with them?

BL: Well, it started, as I said, we had the first—well, I told you how the Dartmouth conferences got started. It was started at Dartmouth. But in the first meeting, I remember I had retired, and the then-management, I think it was Orrefice, still wanted Dow represented there, but he didn't have anybody to put in the job, so he asked me if I would do it. And you know, I like those guys, so I said, why not? So I signed up, and went to a number of—several of their meetings.

CP: What was the objective of these meetings?

BL: Well, to sort of maintain good relations with—maintain good business relations with eastern European—we had a comparable one for Japan, American Committee on Japan-American Cultural Relations, ACJACR. [Laughs] And it did very much the same thing. But after a while, I just, I turned in my badge on those. I had plenty to do, so I retired from that, to do nothing. [Laughs]

CP: You met Gorbachev as a member, or as a part of his?

BL: Yeah, I was part of the ASTEC, I think. That was the trade and economic council.

CP: Were there other folks you met over the course of your career that were memorable, on the scale of a Gorbachev?

BL: No, I didn't. He was kind of a one-off person. He was a very interesting person. And I enjoyed that. Got an amusing story I'll tell you about. We were supposed to have this—I'm trying to think how this works now. [Pauses] Oh, I can't; it just slips my mind. I think that sort of just winds up my recollections. Otherwise I start giving you wrong information.

CP: We've talked a little bit now about your affiliation with Orcas Island. How did that start, your association with Orcas Island?

BL: Well, we lived here. You know, a lot of nice people.

CP: When did that begin? When did you start spending time on Orcas Island?

BL: Well, started as soon as I retired with Tektronix and everything. Yeah, we built a house, nice house, in Spring Point.

CP: Had you just visited there on vacation beforehand?

BL: No, my dad knew a fellow in Seattle who—his firm had supposed to be very good on marine properties. This guy's name was Charlie something, and I'll be darned if I can remember Charlie what. So, in those days, I was [pauses]—so, anyway, I had never been to Orcas Island. [0:25:05] As a matter of fact, I hadn't spent much time in Washington state. I mean, we hadn't lived in Washington state very long. So, we got involved in there, and Betty was very keen on the library.

So the first big project we got involved with on Orcas Island was—I forgot what sequence they came in—was to build a new library. That, matter of fact, was twenty years ago, I think, now. So every Thursday morning, time for grocery shopping, and Betty would go down to the library and work sorting books, and that kind of thing, and I would do the grocery shopping for the week, and it worked out very well. So, the library was a big project, and we spent a lot of time and invested a lot of money in that library.

Before that, we had a new—I'm not sure which came in which order—we had the medical center. Before that it had been really pretty primitive facilities for keeping a doc up there, and had a poor building, and get rainstorms in the winter time, and the doc was up there by himself, and nobody to talk to. So we thought he deserved—we needed him just as bad as he needed us. So we put together a fundraising program for a new medical center, and it was amazing. And we raised about a million dollars in a very short time, and put up the medical center, which is a really nice place. So that was the second project on our Orcas Island.

Contemporaneously, I was also working with Oregon State. After Betty and I had retired, we figured out what our financial position is, we ought to make a disposition to Oregon State. So John Byrne was president of Oregon State then. So I think I called John up one day and I said, you know, "What would you do if you had \$400,000?" That was my opening bid. John called back and said, "Well," he says, "We'd do quite a bit with that. But if you'd make it \$600,000, we can hire an architect now and get started to make plans and that kind of thing, so we can attract other people to contribute when they see that's what—

CP: An architect for?

BL: The new building.

CP: The library?

BL: Yeah, because the library was really pretty crummy at that time. I don't know if you remember?

CP: Mm-hm.

BL: They had kind of a chicken wire enclosure at one end, and not very attractive, so. And we had a good fundraiser for that. All it took us was kind of fits and starts [pause] to get that going. I don't know, we spent—it started off all right, and then we got slowed down, with the fundraising program really wasn't running much. And then we got the Valleys involved, which saved our bacon. And so by the time we got done with the Valleys' contribution, we had something over two million dollars. Well, the Lundeens were in it up to two million dollars. [0:29:59] That's the biggest contribution we made for anything in our careers.

CP: What other role did you play in the library expansion project?

BL: Supplying money. [Laughs]

CP: Were you involved with any of the planning, or these conversations with, like, the Valleys?

BL: No. I met Mrs. Valley one time. I never met her husband. They lived in Oakland. Yeah.

CP: Do I understand that you met Linus Pauling through this as well?

BL: Yeah, Linus was a [pause]—I'd met Linus, but just kind of briefly. I remember they had a party. It was kind of a 70th birthday party for Linus, and I was invited to that. By that time, the Dow board thought we also ought to have a Nobel Prize winner on the board. And so, after—he discovered photosynthesis. It will come to my min in a minute. Linus—I remember going to his 70th birthday party.

Then we had a 50th reunion with the class of 1942. That was a big event, still had a lot of Dow people who had been in the war, and that was—interestingly, most of the men had been in the armed services, one way or another. Practically all of my male classmates had. We had one whose wife was a Mortar Board with Betty, who was a Conscientious Objector, and they were in Puerto Rico or something during the war, working for some beneficial project that wasn't involved with the armed forces. But that Oregon State Association was very important in our lives, and I feel good about the results at Oregon State now, particularly having had Ray there. That's the best thing that ever happened to the university.

CP: In what way?

BL: Well, Ed—everybody who was there before was on the professional side of it, and wasn't, he was either an engineer, an aggie, a pharmacist, or a chemist, or something. You'd go down the list, and there were no liberal arts people at all. But Ed came in, and he was. He was Provost at Ohio State, and like I say, the best thing that ever happened to Oregon State. I've got a lot of time for Ed. I didn't have anything to do with hiring him, but I am sure glad he's there. [Laughs]

CP: So you feel good about the current direction of the university?

BL: Yup. I feel fine. Except some of the political manipulations that are going on with the University of Oregon and Phil Knight, and separating the—getting the Oregon university system, with now the University of Oregon, and Portland State

have gone off on their own, and University of Oregon with Phil Knight leading the charge. Oregon State's going to do that, too. Ed is very upset about that. Now, the smaller schools like Southern Oregon, Western Oregon, Eastern Oregon—the jury is still out on what's going to happen to them. [0:35:02] I mean, I haven't heard any—I talked to Ed; he was up here ten days ago, we had a long visit. And so I don't think anything new has happened since then. So what else do we have to talk about?

CP: I'm interested in your life on Orcas a little bit more. Can you tell me about the *Blue Dragon*?

BL: Yeah, well, we had a couple of sailboats built in Hong Kong, and one of them we had shipped to Orcas. And it was a boat that was built more for tropical—well, for tropical waters, the one we shipped here, not a very good one to have in wet, cold weather. So after we had—we ran with a power boat, with sailboats for a while, and then we got the first *Blue Dragon*. And then, Betty was never very keen about sailboats. And the last big sailboat we had was a steel-hulled—I don't know; it was a big sailboat. It was British Columbia built, and we just called it the *Dragon*. And it was a sloop rig, and the top of the mast was 60 feet off the water, so you know, I'd hoist myself up there with a—which I had to do on occasion if things got fouled on the top of the mast. I needed a strong man with a winch and windlass down on the deck. But that boat was very long, and the wheel was way back on the aft end of the boat, and at the head of the boat, Betty could hardly hear me when I shouted at her.

So, that didn't last very long. I sold that. Had a great virtue. It was a steel boat, and one of the great virtues people talk about: If you have a collision, say with a buoy, which was the most likely thing to have a collision with, and you are running at maybe eight knots, and you hit that was a fiberglass boat, then you can sink the boat. The steel boat, you've got a big dent, that's all. So, all things considered, we bought a power boat. It was a 40-footer. It was a Nordhavn 40, and it was really a nice boat. You know, we could run it ourselves, and no sails to be intimidating Betty. And so we had that pretty well fixed up. It actually had a generator on it, 240-volt power, and we could take another couple with us, and it would be really nice.

But after Betty died, then I had—what I wanted to do was get a smaller boat. Well, I wasn't too keen on that 40-footer we had. I thought it was pretty good, keep the same one, or get the bigger one. And I thought, well, if we got a bigger one, so I'll have more company on the boat, but now I'm going to be confronted with, you know, I may not be able to get husband and wife who are going to travel together. It's going to be kind of a mixed bag of boat people. So maybe I get a bigger boat, so then I can take a couple, and then, you know, two or three other people. [0:40:02] And then you don't have to worry so much about what sex, who's sleeping with whom. So we bought this 46-foot *Blue Dragon*, which I sold, fortunately, about four or five years ago. Didn't get quite as much money as I paid for it, but it was okay. So now I don't have any boats to worry about anymore.

CP: That was a big part of your enjoyment of Orcas Island, wasn't it?

BL: Oh, yeah. It's a great place to have a boat. I've circumnavigated Vancouver Island twice. Went out to the off-shore islands, went to Alaska once. Had a great time.

CP: I just have a couple more questions for you.

BL: Okay.

CP: Broader questions. I'm wondering if you could give some thoughts on leadership. What do you think makes a good leader?

BL: [Pause] You first need to be very serious about understanding the qualifications, that if you're going to hire somebody, what the job requires. That's the first thing. And then you need to establish, given that that is honestly the appraisal, does the person you're thinking about hiring for the job have those qualities? And that's the time to make a mistake, not afterwards. And I think that the person who's doing the hiring has to have a—you know, hiring somebody, it's a two-way street, the hiring person, and the person who's hired. So that whoever is doing the hiring, the person who's being hired has to see the leader as somebody who he would like to work for.

So the leader needs to set an example all of the time, and in my view, leaders are made, at least in senior positions, you know, they are made by experience, and they have had good times and bad times. And I think it's important to test people

on their good time and their bad time experiences, and things you've learned, because you don't want some of the bad things to hop up and bite you.

I think back—I keep going back to the war, because it was really an important part of my life. When the war started, I was a—I had just graduated, yeah, graduated from Oregon State, and I had enlisted in the Air Corps to learn to be a weather officer in China. And so I had already signed up, but I didn't know when I was going to the job. And I had to get some work, because I was living with a friend of my folks' in Portland. We were there still living in Westport. Well, they were then living in Westport—no, they were living in Lake Oswego.

So, I remember a recruiting poster they had in the old Commerce Building there, and it was recruiting, this one, and I went over and looked at it, see what they had to offer. And that said if you graduated in the upper third of your class in science or engineering, you qualify to be an aviation cadet, and learn to be a weather forecaster. [0:45:04] I thought, well actually, that looks pretty interesting. So I had this interim there, so I enlisted, but I didn't know where I was going to go. Gut my folks had some friends in Portland from our logging camp days, so they let me stay at their house, so I could work in the—the shipyard was over in Vancouver. And until—I don't know how it is now, but there were about—well, anyway, they were advertising for material expeditors. That was somebody who could read a blueprint, and then fly around the yard and find the bolts, or angle iron, or whatever it was that they needed in the ship.

And they were building C2 freighters. Mind you, these were, at that base, they were steam powered. And my first job was on the swing shift. No, yeah, it was on the swing shift, because they were running 24 hours a day. Well, first thing is, I went out and looked at the shipyard. Mind you, this was six months after the war had started. Kaiser had built a complete modern shipyard in six months' time. It had everything in it—huge assembly bay, well, automatic welding machines. I had never seen an automatic welding machine before. There were people working that shipyard from all over the United States. That was the first time I ever saw many Negroes in Oregon. I don't think—I'm not sure we had one at the university when I was there. I really don't know, but there were sure a lot of them when the war started.

And so I think back now, and we didn't have, you know, any of these modern tools, so I think we won World War II with a slide rule. Because you know, there were no computers. It may seem funny, but there were no computers in those days. I think they had something at, maybe it was MIT or someplace, called an ENEAC, Electronic Numerator and Calculator, or something like this. And it was powered by an enormous room full of vacuum tubes, generating tons of heat. [Laughs] But I still think about that shipyard. I think about what would happen if you had to start one today. God, you know, you'd be, take two years getting the permits from the department of health, and God knows who. So I always wind up about my lesson from World War II. [Laughs] We won it with a slide rule.

CP: You had a long and active career, then you, as your wife said, flunked retirement?

BL: Yeah.

CP: What do you think drove you that whole time? What was driving you during your working days?

BL: I liked it. Yeah, I had a lot of fun on the job. I would never take a job that wasn't fun. I mean, there's probably about ten percent—in a good job, there's probably ten percent of sort of scut work that you have to get done, but it needs about ten percent of fun, because if it doesn't have fun in it, you change jobs. My dad had a very good word to the wise. He said, after you get a job, the first thing you want to do is accumulate one year's income. Get it, and then put it in the bank. Because you may come to a time when you're so unhappy with your present employment, you just want to tell your employer to go to hell, and go out and seek a new job where you can have fun. And I think that was really good advice.

CP: Yeah.

BL: And I did that. And I have encouraged all of my kids to do that. [0:50:00] And I think they have.

CP: Well, the last question I have for you is just, what are some points of pride when you look back on your career? What are you proud of having accomplished?

BL: What are what?

CP: Points of pride.

BL: Oh. [Pause] Well, I guess I'm most proud of the work I did building a profitable Dow presence in Asia. I mean, that was a job that appealed to me. It was a lot of fun, and I was in charge of it when it was a—there was a lot of challenging work to be done. And when I read and see what's happening in Asia now, I think I can justifiably feel proud of what I started.

CP: Anything else?

BL: Nope.

CP: Well, thank you Bob. It's been fun.

BL: Good. [0:51:31]