



Henry

Henry J. Kaiser was an opportunist in the very best sense of the word, a natural entrepreneur with a persuasive manner and an indomitable spirit. His flair for business would manifest itself early, and would carry him to become a multimillionaire in construction and shipbuilding.

Born in upstate New York in 1882, Kaiser's German immigrant parents instilled in him the values of discipline and hard work. Following elementary school, he worked as a store clerk in Utica, New York, where he developed a keen interest in photography. He was soon a traveling photographer, selling his photos and taking commissioned portraits.

by Bill Vance

J. Kaiser

His Legend and His Cars

One of his calls, a camera store in Lake Placid, New York, impressed young Kaiser so much that he wanted to join the business. Henry convinced the reluctant owner to let him work for nothing, confidently predicting that he would double the shop's business within a year. Henry did even better; he tripled it and had soon bought the business and branched out to other shops.

Although this was a successful enterprise, the ambitious Henry soon tired of it. At age 26, he brashly uprooted his young wife, Bess, and their three sons and headed west. He had no prospects, but he had the confidence of youth and was sure that, with his innate abilities, he would succeed.

In Spokane, Washington, Kaiser discovered a hardware store that seemed perfectly suited to his sales skills. There were no vacancies, but Henry convinced the owner to let him try selling a large stock of tarnished silverware lying in the stockroom.

Henry organized a group of young women to polish the silver— soon, the entire stock was sold. He made enough to pay his crew and earn a little profit for himself, and the happy store owner gave him a job.

The hardware store brought Henry into contact with local building contractors, and his interest in construction soon led to jobs in the sand, gravel and concrete business. By 1914, he was able to establish his own paving firm, the Henry J. Kaiser Company.

Henry and his small, core staff moved from site to site working out of a tent. One of his men went ahead scouting out their next job. Henry took his family from one road construction location to another, often living in their car. They hired local labor as required and established a reputation for quality work that was completed on

Welders fixing ribs of an innerfloor section of a Liberty class ship in place before adding steel sheathing at ship builder Henry J. Kaiser's shipyard.

time. Among his early jobs was building the first piece of paved road in Vancouver, British Columbia.

Although times were difficult and inflation was high during World War I, Kaiser and his loyal staff managed to expand the business. It didn't take long for the Henry J. Kaiser Company to become well-known up and down the West Coast. Despite these difficult times, Kaiser persevered and was always positive. He would often tell his staff, "Problems are merely opportunities in work clothes."

In 1921, Kaiser's company got a big break when it won the contract to build a 30-mile highway from Redding to Red Bluff, California – a job big enough to cause Kaiser to move his headquarters down from Washington to California. Once the construction was underway, Kaiser's crew demonstrated that, by the innovative use of equipment, it could build a mile of road a week, double the normal rate. This added to Kaiser's fame, and by 1927, the company had received a contract to build 200 miles of roads in Cuba. In spite of primitive conditions and the logistical nightmare of assembling staff and materials in a foreign land, Kaiser completed that job a year ahead of schedule.

But all of this was preliminary to what was to come. The U.S. Bureau of Reclamation was planning a series of huge dams in the West. The first, the Hoover Dam, was considered too large for one company to handle, so a new entity called Six Companies, Inc. was established. Kaiser became part of the Six Companies conglomerate, which completed the Hoover Dam in five years, more than two years ahead of



schedule. Henry J. Kaiser was becoming a legend for his ability to organize and motivate staff into a cooperative and efficient crew.

Kaiser participated in more mammoth projects, such as the Grand Coulee and Bonneville Dams on the Columbia River, both of which he supervised; the San Francisco-Oakland Bay Bridge and the excavation of a set of locks for the Panama Canal.

In the late 1930s, with trouble brewing in Europe and war seeming inevitable, the U.S. government wanted to expand its woeful merchant marine fleet, most of which dated back to World War I.

But established shipbuilders were already producing at capacity, so into



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the fray stepped the Six Companies. They had more confidence than experience, but were determined to learn shipbuilding. Their first two shipyards, in Richmond, California, and Portland, Oregon, were placed under Kaiser's management. Typical of his style, the keels of ships were being laid before the buildings were completed.

The Japanese attack on Pearl Harbor, Hawaii, in December 1941, brought the U.S. into World War II and intensified the need for more sea power. The U.S. government ordered the construction of a fleet of Liberty ships, a cargo vessel of standardized design. This led to the establishment of seven more shipyards—Kaiser owned three of them.

The first Liberty ship took 226 days to produce. But by such methods as prefabricating sections and other innovative time-saving measures, its production time would fall to about 27 days. The Kaiser company's around-the-clock workers even completed one in the incredible time of just four days, 15 hours and 26 minutes. By war's end, Kaiser's shipyards had produced 821 Liberty ships and more than 600 others of various types, from small aircraft carriers to large tankers.

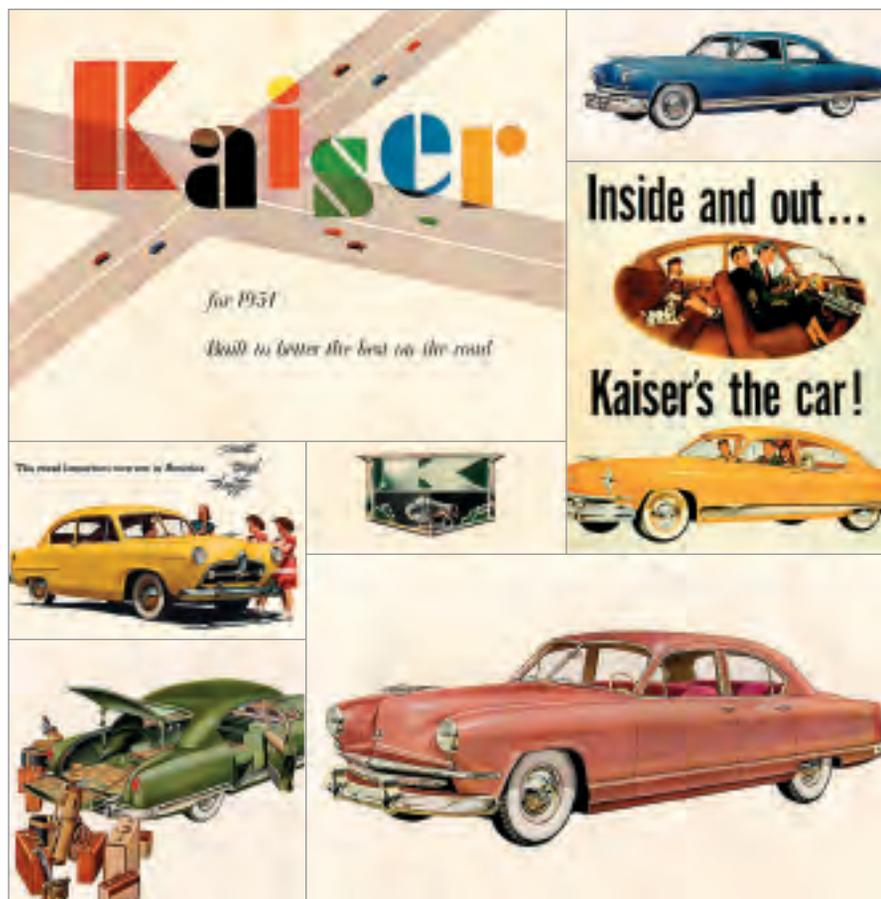
Henry Kaiser knew that peace would bring an end to his shipbuilding, but he also knew there would be a huge demand for new cars. The auto industry had ceased civilian production in February 1942 and would not

be able to resume until the fall of 1945. With no new cars available for more than 3 1/2-years, the astute Kaiser decided it was a sellers' market too good to ignore.

Kaiser had nurtured a dream of building a small, affordable car and had even established an experimental shop in Emeryville, California, to study many of the world's production cars. But since Kaiser really didn't know much about the car business, he wisely teamed up with someone who did: Joseph W. Frazer.

Frazer had grown up in the automobile industry. He was born in Nashville, Tennessee, in 1892, and after a stint at Yale, began working as a mechanic with Packard, soon moving

The first production car rolled off the Willow Run line in June 1946, less than a year after the corporation had been formed.



into sales. He joined General Motors in 1919 and helped found GM's new finance company, General Motors Acceptance Corporation.

Finding GM too big, Frazer went to Maxwell Motors in 1923, which Walter Chrysler turned into the Chrysler Corporation in 1925. By 1927, Joe was Chrysler's general sales manager. He stayed with Chrysler until 1939 then departed to become president and general manager of Willys-Overland (W-O), which would prosper mightily by producing the famous World War II Jeep.

After differences with W-O over its post-war car plans, Joe joined car manufacturer Graham-Paige Motors (G-P) as chairman and president in 1944. G-P had not built a car since 1940, but it was prospering on war contracts.

Henry Kaiser, the construction magnate, met Joe Frazer, the ace car sales-

man, in San Francisco in July 1945. They hit it off immediately, and before month's end, a new automobile company, Kaiser-Frazer Corporation (K-F), had been registered in the state of Nevada. Kaiser brought his drive, enthusiasm and money. Joe came to the table with his interest in Graham-Paige and his vast auto industry knowledge. Kaiser became K-F's chairman, and Frazer was president and general manager.

K-F leased a huge war surplus bomber plant in Willow Run, Michigan, and began converting it into an automobile plant. Howard "Dutch" Darrin, an experienced automobile stylist, was given the job of designing the new car. Although there were early experiments with front-wheel drive and torsion bars, the car that emerged was a conventional, front-engine, rear-drive, body-on-frame sedan. The use of

a 100-horsepower, Continental industrial side-valve six saved the tooling costs of a new engine.

The styling was somewhat conservative, a "pontoon" shape featuring a fender line that ran level from front to back and a 123-1/2-inch wheelbase that provided ample interior space for six passengers. There were two mechanically identical models, Kaiser and Frazer, with Kaiser being the popular priced entry. The fancier, luxurious trim of the Frazer was aimed at more upscale buyers.

The new cars were shown at New York's Waldorf Astoria hotel in January 1946 as 1947 models. By the time the show ended, more than 9,000 orders had been received. The first production car rolled off the Willow Run line in June 1946, less than a year after the corporation had been formed. In spite of

having to build a dealer network from scratch, almost 150,000 K-F cars were produced in 1947. This number rose to 181,000 in 1948, which would prove to be its highest recorded sales year.

But, by 1949, the post-war car shortage was disappearing and the established companies had their new models. K-F marked time until 1951, then fought back valiantly with the all-new and very attractive Darrin-styled Kaiser Manhattan. In spite of its handsome new car, the novelty of the industry's first hatchback, the introduction of the compact Henry J and the attractive fiberglass-bodied Kaiser-Darrin sports model, K-F sales continued to decline.

In an attempt to stimulate interest,

K-F purchased Willys-Overland in 1953, bringing the Willys Aero line of cars, along with the renowned Jeep utility vehicle, into its stable. Willow Run was relinquished and all production was concentrated in the W-O plant in Toledo.

Since K-F couldn't afford to produce a V-8 engine to compete with proliferating V-8s from others, they supercharged the old six for 1954, raising horsepower from 118 to 140. But it still lacked the smoothness of an eight.

It all became too much, and when less than 8,000 Kaiser and Willys cars were produced in 1955, K-F ceased automobile production in the U.S. The operation was moved to

Argentina, where it would last for seven more years.

Frazer's influence had begun to fade in 1950 and he severed all connections in 1952. Kaiser went back into the construction business, building hotels and apartment complexes in Hawaii. Always concerned about his employees' health, in the 1960s, he established 19 hospitals in the western U.S., a lasting legacy now known as the Kaiser Foundation.

Henry J. Kaiser had been a success in everything he had tackled, everything, that is, except the automobile business. It is ironic that the one thing for which he is best remembered is the only endeavor that defeated him. He died in 1967 at the age of 85. ■

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