

Chapter 2 – Tough going

In 1976 Peter Gardiner, an executive of Dalgety PLC in London, Balfour's parent company, came to San Francisco. While there was no announcement of the reason for his visit it was clearly to review Balfour's operations. I was instructed to meet his plane and take him to his hotel. At the airport he obviously wanted to talk to me and so we had several drinks in the bar while he questioned me about a number of different aspects of Balfour's management and operations. Finally I drove him to the city and delivered him to his hotel.

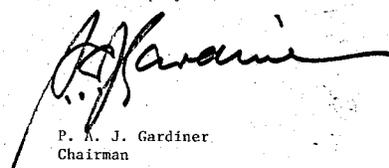
During one of the many usual planning meetings in January 1977 I began to feel unwell and during the lunch break I excused myself and drove home while the pain in my shoulder and chest increased. My own doctor was not available so Beverly took me to his substitute who diagnosed pneumonia and instructed me to go the emergency room. By the time we got there I was doubling up from the pain. They gave me some shots that put me under and I was taken to the ICU. It was not until later in the evening that they diagnosed that I was bleeding internally which led to immediate surgery to remove my totally disrupted spleen. It had been a spontaneous disruption which involved a tremendous blood loss. After eight days in the hospital and massive blood transfusions I was allowed to go home but full recovery took quite a while. Beverly took extraordinary good care of me and when I was well enough to travel she drove us to a resort in southern Oregon where we just rested for quite a while.

In September 1977 I was elected to the Balfour's Board of Directors and appointed a Vice President. I felt that this was more for show than anything else because there was no additional compensation or anything else connected with it. The only effect was that I had to attend the Board meetings which were completely scripted.

September 16, 1977

The Board of Balfour, Guthrie & Co., Limited is pleased to announce that at its last meeting September 9, 1977 Messrs. H. B. Lockett, R. J. Mendrella and D. van Alderwerelt were elected Directors of the Company.

Messrs. Mendrella and van Alderwerelt were also appointed Vice Presidents of the Company.



P. A. J. Gardiner
Chairman

As you can see from the manner in which he signed in September 1977, Peter Gardiner was Chairman of the Board of Balfour Guthrie & Co., Limited. Subsequently Oliver Wolcott left the company and Peter Gardiner took over as President. It helped that we had met early on and had discussed the business in general and my operation in particular but I was still not quite prepared for what followed later.

As the trading climate in Central America gradually continued to deteriorate, primarily because of adverse political situations, it became more and more difficult to produce an acceptable budget that we felt had some hope of being reached. Lengthy budget discussions did not produce solutions so in November 1977 the budget that I had submitted for the Trading Division was not accepted by the Board. Since producing a fake budget with unreachable projections was not something I was prepared to do, I was instructed to close down the Trading Division. One is never really prepared for something like that and I had no ammunition left to try and undo that decision. I went home without speaking to anybody else and unburdened myself to Beverly. Here I was at age 48, with 18 years in the company and I was to liquidate the Trading Division and thereby work myself out of a job.

The next day I called a meeting of the senior Division personnel and related to them what had transpired. I emphasized that it was our obligation to fulfill all contracts that we had on the books and that I would set up a schedule projecting the probable last day of work for each individual. I also instructed the traffic and documentation manager to do the same for his staff. Because of existing trading contracts it would take well into 1978 to complete the liquidation. And then what?

Christmas 1977 was certainly very quiet. That is illustrated by the fact that we have no pictures from that time.

Before all this took place, Beverly and I had booked an April/May 1978 trip to Portugal, Spain, Gibraltar and Morocco to be followed by a visit to the Netherlands to see my relatives. Peter Gardiner agreed that we should go ahead and take that trip after I assured him that the remaining staff could handle the liquidation work. So we went on our trip and had a wonderful time during our guided bus tour of the several countries as well as during our visit to the Netherlands.



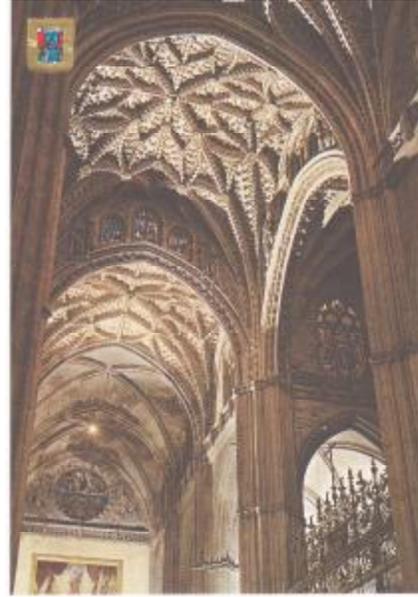
Lisbon, Portugal



Seville, Spain



Alcazar, Seville



Seville Cathedral



Walking towards the Kasbah
in Morocco



Beverly trying to get away from
a rug merchant in the Kasbah



Granada, Spain



Cordova, Spain

In the Netherlands



My mother and Beverly



In my parents' living room



My father and I having a good laugh



My father with my brother Rugier (eight years older than I)



In het Keukenhof



From left to right: Ank (wife of Willem), Eve (wife of Frits), Dan, Beverly, my brother Frits.

In foreground: Viviane (daughter of Ank), Willem (my nephew and son of Frits and Eve)

The liquidation of the Trading Division had proceeded well during my absence. By the end of July 1978 all my staff had left but I had retained one long time employee named Theresa da Luz to act as my assistant and secretary because there were still pending claims and other such things that needed attention. But still nothing was being said about my future! Logically I was really concerned and felt a great deal of stress.

Finally, Peter Gardiner called me in on August 22, 1978 and asked me if I could resurrect some of my trading connections and run a small trading setup. That was the very last thing I had expected. I told him that I could try to do that, concentrating on the sesame seed trade from Guatemala and trying to get a few other things going but that it could be no more than just a temporary thing. A discussion followed about how and what and I recommended that we use the existing but presently unused company name of Dalgety (USA) Inc, that I be placed on the Board and be appointed a Vice President of that company. I think Peter Gardiner was delighted that I had produced a format right on the spot. He had a telex message sent out to all parts of the Balfour/Dalgety group around the world which suggests that there had been prior consultation, certainly with London, about my future. It does make it sound as if this was an important matter while in reality it was just a stop gap measure to keep me on his staff until other opportunities opened up.

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/78123880" (ATTN P J LANG) JAPAN
/851826475" (ATTN G T PRYCE) LONDON
/84661654" (ATTN R THORN) BRUSSELS
/79021322" (ATTN R B VAUGHAN) AUSTRALIA
BT

AUG 22, 1978

RE: DALGETY (U.S.A.) INC., /DAN VAN ALDERWERELT

I AM PLEASED TO ADVISE THAT AN AGREEMENT HAS BEEN REACHED WITH DAN VAN ALDERWERELT TO REMAIN WITH US, OPERATING UNDER THE NAME OF DALGETY (U.S.A.) INC., AT ONE MARITIME PLAZA, SAN FRANCISCO, TO MAINTAIN OUR SIGNIFICANT CENTRAL AMERICAN SESAME EXPORTS AND TO DEVELOP OTHER IMPORT, EXPORT, AND BROKERAGE BUSINESS WHERE APPLICABLE.

THIS DECISION HAS ALSO BEEN TAKEN TO MAINTAIN THE GROUP'S INTERNATIONAL TRADING NETWORK AND TO FACILITATE INTRA-GROUP ACTIVITY. DAN CAN BE REACHED AT THE FOLLOWING TELEX NUMBERS WITH MESSAGES ADDRESSED TO HIS ATTENTION:

470140
278246
67621
340650

REGARDS
P. A. J GARDINER

CALL ACCEPTED 073/079
M
GA
T

Dan: This tlx was also sent to BC-Canada and Dalgety-Hamburg.

If you have any questions, call me as I did the telexing.

Virginia



25th wedding anniversary November 21, 1978

Meanwhile several other Balfour operations had been closed down or sold and the remaining office was moved from San Francisco to San Mateo. My assistant, Theresa da Luz, and I remained in San Francisco for the time being. As the result of several major acquisitions the corporate structure was changing. The offices in San Mateo became the headquarters of the new U.S. parent company named Dalgety, Inc. and a number of primary functions, such as finance, cash management, benefits, insurance, etc. were being moved from the subsidiaries and centralized in San Mateo. One of our major subsidiaries operated a nationwide supply network for McDonalds and several other fast food chains. Another one operated vegetable freezing plants in California and Washington. Yet another one was very active in raising specially selected breeding stock pigs for sale to farms and then there was a subsidiary in New York producing various food stuffs including croutons, etc. When our lease in San Francisco came to an end, Theresa and I moved our small little operation to corporate headquarters in San Mateo. That certainly simplified my commute tremendously because it was now about ten minutes. For Theresa who lived in Marin County it was a different story. I raised her salary substantially to compensate her for the long commute.

I was able to revive the Guatemalan sesame business and created some new business by selling California fresh fruits and vegetables to Hong Kong so in the beginning I was more or less able to cover my direct overhead. Some research projects also landed on my desk but being busy for the sake of being busy really did not appeal to me. When the Guatemalan sesame business pretty much came to an end because of political and harvest problems, I wondered what else there was that I could tackle. It had become clear to me that the existing Dalgety San Mateo staff was not trained to properly handle all the functions that had been transferred from the subsidiaries so I decided to make a pitch for the insurance function. My suggestion was agreed to and so I took on the function of managing the overall insurance coverages for all subsidiaries. Fortunately, our insurance broker in San Francisco was a tremendous help. We tackled the complex redesign work of group insurance cover for property, liability, vehicles, health, etc. for all our operations nationwide and in Canada.



Beverly's 50th July 22, 1979

In the fall of 1979 we felt like getting away for a bit and catch some warmer sunshine and so we went down to Mazatlan and stayed at a hotel on the beach and just relaxed.



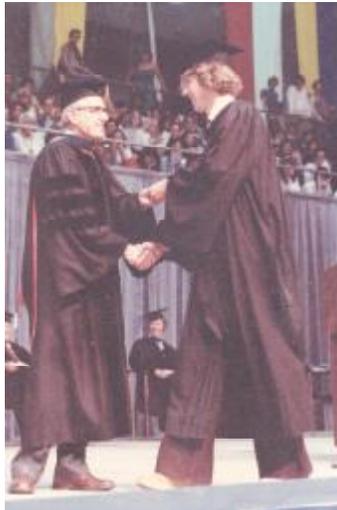
Beverly had worked very hard at her golf game and regularly played at the San Mateo Muni Course. She finally persuaded me to take some lessons so that maybe we could play golf together. When in October 1979 the opportunity came up to go with a group of golfers to Maui she signed us up. She had a good time but it was very difficult for me as I was not in any way ready to play long and difficult courses full of volcanic rocks.



Maui

In 1980 Beverly learned that she had breast cancer. It was caught early but in those days there were not many alternatives for treatment so a radical mastectomy was done which resulted in a long recovery. After that surgery she remained free of cancer for the rest of her life which was undoubtedly due to it having been caught so early.

Peter graduated from UC Davis on June 13, 1980. He had taken a year off in the middle of his studies in order to escape from the pressure of the engineering courses and therefore it took him 5 years to graduate.



Graduation Day

Someone had a camera ready when it was Beverly's 51st birthday on July 22, 1980. As you can see, Sammy the cat is well established.



That summer Jan was a passenger in a vehicle that crashed. As the picture shows, she broke her right leg and ended up with it in a cast. Peter and Eleanor tried to console her!



Later that year, in October 1980, I flew to Amsterdam to be present at the reception for my parents' 60th wedding anniversary. It was quite a family reunion and since Peter and Eleanor were backpacking in Europe at that time they were also able to attend. Beverly elected to stay home as she was still recovering from her breast cancer surgery. So my father put a picture of her on the lunch buffet table. Very thoughtful of him.



The entire group at the reception and lunch



My parents and their 3 sons and one daughter in law.



My mother listening intently to my father



Three generations



Talking to my uncle Carel - my brother Frits is in the background



Peter and Daan – they are clearly enjoying themselves



Eleanor and Ank



Henriette and Boy



Dan with Henri Blok
At the Blok's New Year's Eve party on December 31, 1981



Beverly with Johanna Blok

I met Henri Blok in the early 1960's when he worked for the Holland America Line in San Francisco. They introduced us to Lake Almanor and we went to many of their annual New Year's Eve parties at their home in Kentfield.
