Regional Oral History Office
The Bancroft Library

University of California
Berkeley, California

The Wine Spectator California Winemen Oral History Series

William A. Dieppe

# ALMADÉN IS MY LIFE

With an Introduction by
Morris H. Katz

An Interview Conducted by
Ruth Teiser
in 1984

WILLIAM A. DIEPPE

1984

*Photograph by Ruth Teiser*

OBITUARIES

March 21, 1988

San Jose, CA
(Santa Clara Co.)
Mercury News
(AM Edition)
(Cir. D. 243,078)

# William A. Dieppe, 442 retired head of winery

William A. Dieppe, 75, credited with guiding Almaden Vineyards to becoming one of the nation's largest producers of fine varietal wines, died Saturday at his Saratoga home of congestive heart failure.

On his retirement, Almaden Vineyards was the nation's third-largest winery with sales of 12 million cases annually.

Mr. Dieppe joined Almaden in 1955 as a salesman, rising through the executive ranks and sales and becoming president of the company in 1969. He retired in 1981 as chairman of the board and chief executive office of the San Jose-based winery.

He continued to work for Almaden until three years ago, as a consultant to Charles Lefranc Cellars, the company's imported wine division.

"He had a tremendous palate. . . . one of the best in the business," said David Barasch of San Jose, Almaden's chief financial officer until last year, when the company was sold to Heublein Inc. "Nobody could fool him on quality."

The New York-born Mr. Dieppe became acquainted with wines as a young man while working for his father, the owner of a New York City restaurant with a reputable wine cellar. Although the younger man had gone to Cornell University in Ithaca, N.Y., he learned viticulture in England.

Before his marriage to Lola Dieppe of Saratoga in 1948, he had tried gold mining near Anchorage, Alaska. After their marriage and before joining Almaden, Mrs. Dieppe said, her husband had worked for a number of wine and liquor companies in Southern California.

William A. Dieppe
*. . . In 1969 photograph*

"He was one of the most meticulous persons I've ever known," Mrs. Dieppe said.

A friend, David Barasch, described his former business associate as "a dynamic person who got things done."

Mr. Dieppe was a member of the Wine Institute.

Besides his wife, survivors include a brother, Henry Dieppe of New York.

Funeral services will be at 11 a.m. Wednesday at Darling-Fischer Chapel of the Hills, 615 N. Santa Cruz Ave., Los Gatos.

The family requests contributions be made to the American Heart Association.

March 22, 1988

San Francisco Examiner

## William A. Dieppe

EXAMINER STAFF REPORT

Services will be held Wednesday in Los Gatos for William A. Dieppe, who worked his way from salesman to board chairman of San Jose's Almaden Vineyards.

He died Saturday at age 75 in a Los Gatos hospital.

When he retired in 1982, he was chairman and chief executive officer of Almaden and a vice president of National Distillers and Chemical Corp.

He was a native of New York and started as a sales manager for the company in Los Angeles in 1955.

In 1978 he was elected chairman of the board of the Wine Institute.

He is survived by his wife, Lola.

Services will be held at Chapel of The Hills, 615 N. Santa Cruz Ave., at 11 a.m.

March 24, 1988

San Francisco Chronicle

## William A. Dieppe

Funeral services were held yesterday for William A. Dieppe, former board chairman of Almaden Vineyards, who died on Saturday in Los Gatos. He was 75.

In 1955, Mr. Dieppe became an Almaden sales manager in Los Angeles and rose to become president of the San Jose-based winery in 1969. He was chosen its chairman and chief executive officer in 1976.

The winery, which started with vineyards planted more than a century ago in the Los Gatos foothills, was sold to National Distillers and Chemical Corp. in 1967. Mr. Dieppe was named a vice president of National Distillers in 1972. He retired in 1981 after 49 years with Almaden.

Mr. Dieppe also was a director of the Wine Institute and in 1978 served as chairman of the group, which represented 265 wineries in the state. He later was named an institute life member.

He is survived by his wife, Lola, of Saratoga, and a brother, Henry, of New York.

Donations are suggested to the American Cancer Society or the American Heart Association.

TABLE OF CONTENTS -- William A. Dieppe
Born Sept. 22, 1912
Died March 9, 1988

# PREFACE

The California wine industry oral history series, a project of the Regional Oral History Office, was initiated in 1969 through the action and with the financing of the Wine Advisory Board, a state marketing order organization which ceased operation in 1975. In 1983 it was reinstituted as The Wine Spectator California Winemen Oral History Series with donations from The Wine Spectator Scholarship Foundation. The selection of those to be interviewed is made by a committee consisting of James D. Hart, director of The Bancroft Library, University of California, Berkeley; John A. De Luca, president of the Wine Institute, the statewide winery organization; Maynard A. Amerine, Emeritus Professor of Viticulture and Enology, University of California, Davis; Jack L. Davies, the 1985 chairman of the board of directors of the Wine Institute; Ruth Teiser, series project director; and Marvin R. Shanken, trustee of The Wine Spectator Scholarship Foundation.

The purpose of the series is to record and preserve information on California grape growing and wine making that has existed only in the memories of wine men. In some cases their recollections go back to the early years of this century, before Prohibition. These recollections are of particular value because the Prohibition period saw the disruption of not only the industry itself but also the orderly recording and preservation of records of its activities. Little has been written about the industry from late in the last century until Repeal. There is a real paucity of information on the Prohibition years (1920-1933), although some commercial wine making did continue under supervision of the Prohibition Department. The material in this series on that period, as well as the discussion of the remarkable development of the wine industry in subsequent years (as yet treated analytically in few writings) will be of aid to historians. Of particular value is the fact that frequently several individuals have discussed the same subjects and events or expressed opinions on the same ideas, each from his own point of view.

Research underlying the interviews has been conducted principally in the University libraries at Berkeley and Davis, the California State Library, and in the library of the Wine Institute, which has made its collection of in many cases unique materials readily available for the purpose.

Three master indices for the entire series are being prepared, one of general subjects, one of wines, one of grapes by variety. These will be available to researchers at the conclusion of the series in the Regional Oral History Office and at the library of the Wine Institute.

The Regional Oral History Office was established to tape record autobiographical interviews with persons who have contributed significantly to recent California history. The office is headed by Willa K. Baum and is under the administrative supervision of James D. Hart, the director of The Bancroft Library.

Ruth Teiser
Project Director
The Wine Spectator California
Winemen Oral History Series

10 September 1984
Regional Oral History Office
486 The Bancroft Library
University of California, Berkeley

# CALIFORNIA WINE INDUSTRY INTERVIEWS

## Interviews Completed by 1985

INTRODUCTION

I first met Bill on the telephone shortly after I moved the principal office of Paul Masson from New York to San Francisco in 1957. At that time, I was an administrative manager when Bill was a sales manager for our chief competitor, Almadén. The purpose of my call was to discuss a trade barrier problem in the state of California. I was quite apprehensive, expecting a response something along the lines of, "You take care of your problems and we'll take care of ours." Was I surprised when he said that he was pleased I called to discuss the matter with him and that he was all for working together for the mutual benefit of our companies as well as the industry at large. It is that attitude which personifies Bill Dieppe and one of the reasons why, from that day forward, we have enjoyed a mutual respect for one another that transcends the competitive position our companies face in the marketplace.

It was that same competitive position of our companies that precluded our relationship from developing beyond our contacts at industry functions and the activities of the industry's trade association, the California Wine Institute.

It was during my freshman year on the executive committee of the Wine Institute that I began appreciating Bill more than ever before and, in a way, he became my mentor without his ever being aware of it. Unobtrusively, I studied his mannerisms and style of getting to the bottom of issues and presenting his company's position. As a freshman, I was overawed with being in the presence of the industry greats--the Gallos, Martini, Wente, Heitz, the Mondavis, Brother Timothy, to name a few--so much so that I would choke up when everyone looked to me to present my company's position on the issue under discussion. It was Bill, in his gracious style, who very discreetly took me aside during a break in one of the meetings and told me that he too had experienced the same reticence when he became a member of the executive committee, but that he learned to speak up when he realized that the other members of the committee genuinely respected and looked to him for his viewpoint as much as anyone else's--just as they did mine. When the meeting reconvened, boosted by Bill's remarks, I spoke my piece and have been doing so quite successfully ever since--to the extent that I too have been privileged to serve as chairman of the board.

As Bill's oral history unfolds, there surfaces his sensitivity to people, their motivations, their needs, and his genuine desire to help--whether they be associates in his own company or other industry members.

Bill personifies what is usually referred to as a "people person"--just one among the many special qualities that contribute to the wide range of his achievements and accomplishments in an illustrious career. He stands as a tower both among his peers and among the former greats who have pioneered the California wine industry to its present dominance among the premier wine producing regions in the world.

Morris H. Katz, President
Paul Masson Vineyards

10 September 1985
Paul Masson Vineyards
Saratoga, California

INTERVIEW HISTORY

The interview with William A. Dieppe was taped in three sessions between the dates of November 19 and November 21, 1984, in the pleasant office he maintains in what was originally a small home at the Almadén winery at San Jose. Mr. Dieppe, who had been ill earlier, feared that his memory of events might be incomplete, but he proved to have excellent recall of matters large and small. He spoke easily and thoughtfully, displaying the affability that characterized his dealings with people throughout his long and successful career. The sensitivity to others that Mr. Katz notes in his introduction is apparent in this interview in both what Mr. Dieppe said and, occasionally, what he did not say.

Mr. Dieppe began his association with Almadén Vineyards in a sales position in 1955, when its principal owner was the entrepreneur Louis Benoist, and continued with Almadén through its purchase by and expansion under the aegis of National Distillers and Chemical Corp. in 1967. He headed Almadén as president, then as chairman of the board and chief executive officer from 1969 until 1982, when he became chairman emeritus. His account of the development of one of California's major wineries adds an important body of information to this series of interviews on the state's wine industry.

Ruth Teiser
Interviewer-Editor

17 September 1985
Regional Oral History Office
486 The Bancroft Library
University of California at Berkeley

# I EARLY EXPERIENCE IN THE NEW YORK WINE AND SPIRITS TRADE

[Interview 1: November 19, 1984]##

## The Family Restaurant During Prohibition

Teiser: Let's start by establishing your date of birth and place of birth.

Dieppe: I was born September twenty-second of 1912, in New York City, New York. I was born into a restaurant family. In those days we all had to work in the family's institutions because that's what the fathers expected. So as a very young boy I quickly learned to do many if not most of the things that one does in a restaurant. I would work in my father's restaurant during my school days. I never went to college. The period of a very deep Depression was on us, and so I went to work in my father's restaurant after high school.

Then, in the summer of 1932, having been promised a trip to Europe by my father during the better days before the '29 crash, I went to England and visited with a dear friend of his at the house of Hedges & Butler in London, and he put me to work promptly in the cellars of Hedges & Butler, in 1932, thereby giving me my first paid professional experience in the business.

I had been a lover of wines and spirits, even though during my younger years there was Prohibition in the States, because of my father's restaurant operations. As a matter of fact, when I went to Europe in '32, Prohibition was still existing. You didn't have to be a speakeasy--better restaurants still carried spirits and fine wines.

---

##This symbol indicates that a tape or a segment of a tape has begun or ended. For a guide to the tapes see page 96.

Teiser: Where did you get them?

Dieppe: Oh, it wasn't difficult at all. It was not difficult in New York or throughout the East or probably most of the country.

Teiser: Who supplied them? Europe or local bootleggers or what?

Dieppe: Actually, they were transported by local so-called bootleggers, carriers, but they were negotiated usually through Canada, through Newfoundland. Because Canada of course was wet. So there was an availability of all the finest wines, and my dad was a great lover of wines and a great lover of brandies and other things. He gave us the experience of tasting when we were young because he believed in the fact, being European, that you should learn that, because it was a complement to the foods.

Teiser: Was your father born in Europe?

Dieppe: Both parents were born in Europe.

Teiser: So you had a tradition of drinking with meals.

Dieppe: Yes. Right. And, as most foreign parents did, they would start you off with a bit of wine and a little water in a glass so that you would know what it was like, and you very quickly learned the excesses and what it would do to you--namely, it gets you sick. And that was a very marvelous experience because I can remember well after Repeal came in that it was quoted quite often that by association with spirits or alcoholic products like wine you would very quickly become a drunkard. And after fifty years in the industry and reaching my present age today, I've never accomplished that. I still love to drink. I drink modestly, I love wines, obviously, and there must have been some failing in my chemicals that I never did become an alcoholic. I love to repeat that only to prove that the association is false.

As a matter of fact, just to interject, I have found in my long years of experience in the wine and spirits business that those who were in the business probably had less of a tendency to alcoholism than those people who were not in the business.

Teiser: You're speaking in the executive and sales levels or actually in the wineries?

Dieppe: Actually throughout all of the operations. Many companies would not tolerate you if you did have any tendency to drink more than modestly because it was a reflection on the industry. We always had to get away from the onus of bootleg days. So the drink meant that you had to drink properly, especially in public; you could not be known as a drinker.

## Learning in England and Europe, 1932

Teiser: In England there was a tradition of civilized drinking when you were there in 1932.

Dieppe: Yes, very much so. As a matter of fact, I started working in the cellars racking off port out of barrels and into bottles. Then I also got the great experience of being able to go over on buying trips in the fall of that year to go through the vineyards and the wineries. Actually you might say carrying the bags, but at the same time the exposure and the training that I got was marvelous.

Teiser: Where did you go?

Dieppe: All through France and Germany both, particularly France, but then partially in Germany. And I very quickly acquired the nomenclature of the products, even though I might not have the great taste ability at that time. I came out with the ability to know the geography of the wine-growing areas, know the names of the places, know the names of the wines and what they were.

Teiser: You were there in England, then, a few months?

Dieppe: I was in England until March of 1933. In fact I even made a short junket across to Holland to learn something about the making of cordials.

Then, in 1933, as Repeal was starting to become known to be coming, I worked for a bit longer, until the end of '33, in my father's restaurant.

## Working as a Broker in New York, 1933-1936

Dieppe: So then, at the end of '33, when Repeal was passed, I was very fortunate. I had just then passed twenty-one in September of that year, which made me legal to sell spirited beverages. We had to be licensed by the government at that time. It was called a brokerage license. You didn't do what you do today, just automatically go out and start to sell; you had to be licensed. And, as I say, having acquired this vocabulary of wines and what they designated--

Teiser: Spirits also?

Dieppe: --and spirits also, was a marvelous asset because I then became in quite great demand, since there weren't other young people in the country who had that knowledge, you might say. So immediately I

Dieppe: was able to go into the wine and spirits business.

The reason I did this was because I had found out in working for my dad's restaurants that restaurant business was a business of twelve, fourteen hours a day and working on holidays, and you worked when other people were having fun. I said, "Well, the devil with this. I don't really appreciate continuing in the restaurant business." I'd had quite enough of it as a younger boy, and this new experience of this new industry coming to life made it most appetizing for me to say, "This is where I belong."

Teiser: So you went into business on your own, at twenty-one?

Dieppe: Well, I became associated with a brokerage. At that time, in the early days of the industry, brokers were very, very popular because you would make a connection either through distilleries or with importers to bring things in. Everybody was eagerly awaiting it; both restaurants and package stores were eagerly awaiting somebody to sell them these products. So the word broker was a very, very proud name and most sought after.

So the business of importing products and buying spirits in barrel and selling to people and then having them bottled off was the work of the day, and there was a lot of work to be done. I must say that it was a lot easier to make a living as a broker at that time than it was to be in any other business. I can remember well young fellows of my own age who had even come out of college who would find it very difficult to find a job for even fifteen dollars a week.

Teiser: Can you remember what percentage of the goods that you handled were spirits and what wine?

Dieppe: Well, it was just a matter of time, because sometimes you would be waiting for shipments to come in from Europe, so then you would be working purely on spirits. But probably about 50 percent of the business was spirits and probably 50 percent of it was in the foreign wine business itself.

As you know and we all know now, the eastern market was almost predominantly a European wine-drinking area, so that California wines did not benefit as greatly in the early days of Repeal as did foreign wines. Those people who did have enough money to buy wines would drink the European wines, basically because they were imported. I mean they had that snob appeal, even though the palate may not have said how great they were, they were bought for that reason.

Teiser: Well, there was some quality difference across the board, was there not?

Dieppe: Well, quite extensively, yes, at that time. Wines out of California were new, obviously, and the techniques and the knowledge of making wines was more in the old family style than it is today with all of the knowledge that we have in enology. So, by comparison, the wines suffered. Not only the wines of California but the wines of New York state suffered because at that time the wines of New York state were not as palatable as the California wines even.

Teiser: I remember Harry Baccigaluppi told me that a lot of people clung to their own bootleggers and they got used to the taste of that wine, so there was a long lag in New York before lower-priced wines were sold--legitimate lower-priced wines. The buyer didn't have to pay taxes on the bootleg wine.

Dieppe: That's exactly right. As a matter of fact, Harry and I have talked about it at length. I'd say that the wines that were made at that time even in the East were rather harsh, mostly old-style, Italian-family style. So they suffered by comparison with the quality of what you could buy from Europe.

And you're exactly right that many people did get wine, if not from their own bootlegger at least from their own barrels at home. Everybody would have a friend who would make wine, and you'd have a barter system. I'd give you apples and you'd give me wine, or I'd give you this and you'd give me that. I know that living in New York state this was true, that we used to many times exchange wine and applejack and things of that kind.

But the real exposure to wine drinking to the masses had not yet become a fact. So selling outside of New York City or the cosmopolitan areas of Boston, New York, Washington, there wasn't a great deal to it. A bit later on in the 'thirties, the Chicago market was the first real market outside of the eastern seacoast where there was any appreciable amount of real good business, both in restaurant and in package accounts.

Teiser: When did you become aware of California as a market? Not as a producer, but as a market?

Dieppe: Well, actually I had one experience of coming out to southern California selling imported products, and it was not a very lucrative business.

Teiser: What year was that?

Dieppe: This was in 1937. I went to Horton & Converse in Los Angeles, the big drug firm who also were in the spirits business. And it just didn't really pay off because working as a broker you needed a very good volume of business to be able to pay the travel expenses and make the money that you wanted. So it was much more practical,

Dieppe: economically, to stay on the East Coast, traveling from New York to Philadelphia to Washington to Boston, that area generally. And then of course, as I say, Chicago was the next good market.

## Selling for Retailers and Wholesalers, 1936-1942

Dieppe: Then the thing that I found that was most useful, and of course it was well paid, was to work in specialty retail stores in New York, which I did. That was a business where these very fine, outstanding shops in New York City would hire people like myself to go out and contact wealthy people and wealthy businesses, and you would sell to them, in their homes or in the offices of large firms who did a lot of entertaining. It was a very good, profitable business. So I did that for two major retailers in New York City.

Teiser: Was that in addition to your other work as a broker?

Dieppe: No, I stopped the other because actually the business started to change. In 1936 large companies started to collect all of the franchises for importing, and the individual broker lost his outlets. The spirits people very quickly bought up the production of distilleries, and the big names that were famous in those days also, by setting up import companies, actually froze out the broker.

Teiser: I didn't know that.

Dieppe: Yes. Sure there were some brokers left after that, but they were most generally those who dealt not from themselves to outlets, but to large corporations.

Teiser: You mean large corporations in the liquor business?

Dieppe: Yes. People like National Distillers and Seagrams and Charles and Company, Park & Tilford and all those famous companies of the day. They had by that time now started to buy up all the franchises and buy up all the availabilities of spirits. So then what happened was that you either went to work, as I say, in the retail specialty stores or you went to work with a wholesaler. I did almost a year with wholesalers, but that wasn't quite as much fun as it was to work through the retail outlets.

Teiser: When you worked for a wholesaler, whom did you sell to?

Dieppe: To retailers and restaurants. And, as I say, that was not near as much fun, for me especially, because I felt rather like I was a specialist, and the general salespeople for wholesalers didn't have very much knowledge at all.

Teiser: You mean you were able to tell what level of quality and price that corporations and large consumers liked?

Dieppe: Yes, as I say, again because of my acquired knowledge, I knew how to recommend to people about vintages of wines and what wines to go with what. As a matter of fact, the sale of Champagnes to big homes was a very big business in those days because the wives would always have their during-the-day parties of whatever kind.

I'll never forget one. George Mabaudy, who was an Egyptian, whose wine and spirits shop was downstairs by the door of the St. Regis Hotel, was world backgammon champion. He had an arrangement whereby he would teach these ladies backgammon, but at the same time he made sure that everybody had to drink Champagne, which everybody loved to do, obviously.

Again, this was a specialty business where after a bottle was about half or two-thirds gone, he would tell the maids or the butlers, "Pour it down the drain." Well, obviously they didn't pour it down the drain. But they just kept buying more Champagne, and his business as a retailer was very good; he didn't even charge for teaching them how to play backgammon.

Teiser: [laughing] Did they ever learn?

Dieppe: That I couldn't say. I know I never learned.

Teiser: And did you continue for long to represent these specialty shops?

Dieppe: I worked all that time partially in the wholesale business, but then otherwise through specialty retail shops until I went into the armed service in February of 1942.

## II WORLD WAR II AND ALASKA, 1942-1949

Teiser: Was your wartime service in any way related to the wine and spirits industry?

Dieppe: No, unfortunately not. I was in the Pacific area and served until November of '45.

Teiser: Then what?

Dieppe: Then I came out, and I frankly don't know the reason why--it sounds ridiculous--

I came out of the service in San Francisco, and I just didn't feel like going back to New York and starting work again. A lot of us had parlayed and saved most of the money that we had in the Pacific because we didn't have a place to spend it. So I felt like having fun. And at a party in San Francisco I met a gentleman who was in the oil business and the mining business. His oil business was in California and Oklahoma, also in Anchorage, Alaska, and his gold fields were in Alaska. All during the war of course there was a moratorium on gold mining.

We got chatting, and he took a liking to me, and he said, "Well, what are you going to do now?" I said, "Well, just have some fun and relax, I guess." He said, "I'm going to be getting ready to open my mines up in Alaska and I'm looking for somebody to go up there and kind of be a watchdog for me, and I think you're just the kind of fellow to do that. How would you like to do that?"

I'll never know why, but I just took a liking to the sound of it, so in February of 1946 I joined up with the Arctic Circle Exploration Company--their headquarters were in Los Angeles--and got everything prepared to go into Alaska. Now, this was in the Arctic, above Nome, on the Arctic Circle. And in the early spring of 1946 I went up to help open up the mines up there, the gold mines. This was a tremendous experience of course after spending the

Dieppe: sweating years in the South Pacific. The climate was quite different, the life was quite different, but I loved it. We grew considerably and acquired another operation up there.

But then, gold being pinned down to thirty-five dollars a fine ounce, after a couple of years the costs of operation became just horribly excessive. We operated through 1949, and then in November of '49 we closed down.

When I came back to the home office, the boss said, "Well, you can transfer over to the oil company down here." I said, "Well, I don't know anything about it, any more than I knew about the gold-mining business." Actually what I was doing was running the business and running the people and protecting the company and so forth. So I said, "Well, thanks a million for the offer, but I think what I will do--"

## III WINE AND SPIRITS WHOLESALING IN SOUTHERN CALIFORNIA, 1949-1954

Dieppe: During the time that I was down in the States again, I met a man, James Goggin, who I had know back East before the war who had an importing company, the Munson-Shaw Company. He said, "Well, Bill, you were so successful in the business in New York, why don't you go back and go into business?" I said, "I don't want to go back there because I've got a girl here who I'm going to marry"--which I did, at the end of '48--"so I'm going to stay here." (He lived here then afterwards too.)

I said, "I want to go back into the business, but I don't know anybody out here." "Well," he said, "I do." He knew a very big wholesaler in Los Angeles, the Duffield Distributing Company, and he introduced me to Marshall Duffield. So right after the beginning of 1950 I went to work back in the wholesale business in Los Angeles for the Marshall Duffield Distributing Company.

Teiser: Did you find that things had changed since you were last in it?

Dieppe: Oh gosh, yes. Oh, just changed drastically. Of course the fact that during the war there was such a great shortage of spirits that the type of selling you did was a lot different than would be normal. You sold a man five cases of rum or whatever for him to get one case of whiskey, and the whiskey wasn't of the best those times.

Teiser: Was that still going on in the fifties?

Dieppe: Oh yes. Well, it wasn't as much, but it still had the bad taste of it, and the retailers of course were up in arms against the wholesalers and the wholesale salesmen because a lot of them really gouged them. Salesmen would take so much a case on the side in their own pocket.

Teiser: When it was hard to get--

Dieppe: Yes. It was not a gracious, warm relationship, as it was prior to the war, between retailer and salesman.

So it was a lot different getting back into the business. You had to practically learn all over again the selling of spirits mostly because the wine business was almost dead. There was very, very little wine being sold except for the low-end commercial wines. Even Mr. Gallo didn't have the big business in those days in Southern California. As a matter of fact, people like Vai Brothers and Excello, people like that, had most of the business in the low-end deal--

Teiser: Vai Brothers and who?

Dieppe: Excello. [spells it] Excello's Three Star and Five Star; I'll never forget them.

Of course the large volume of wine was in the sweet wine business. Angelica, muscatel, white port, sherries, whatever, was the large amount of the wine business.

##

[Some material was lost from the tape and repeated]

Teiser: Even Gallo, you said, didn't have much distribution yet?

Dieppe: Was not the biggest. Beaulieu, Inglenook, Wente, and Martini were probably, by and large, the most popular of the better California wines in distribution in Southern California in both restaurants and package accounts. And we handled Wente and Martini wines at that time down there. Almadén had not yet really appeared in the marketplace in 1950.

Teiser: Were Wente and Martini then handled by Parrott & Company?

Dieppe: Yes. And we were distributors for Parrott & Company products. We had the Hennessy products and the Gordon's gins and some things like that from Renfield, which was Parrott & Company out here, and the Wente and Martini wines were also in the line.

Teiser: For a time Simi wines too?

Dieppe: Almost nil, not really of any large volume.

So because of my wine knowledge, what small amounts of import wines we carried, I finally asked if I could be assigned to selling wines, be the wine supervisor for the company. The practice of the spirits was rather a different type of life than I liked, and the wine business was not that same type of operation. So they said, "Fine, we'd love that." There was not a great emphasis on wines, so when anybody would ask to do that, they were happy.

Dieppe: Oh, I might say also that Paul Masson was very active in the market. Those were the days when Jack Schlotman was the sales manager for Paul Masson, and Otto Meyer was the head of it.

Teiser: This was the first time, then that you had sold California wines?

Dieppe: Yes.

Teiser: What did you think of them by then?

Dieppe: Well, I'll have to say that, after my years out for the service and the Alaska operation, I rather liked them, really.

Teiser: If you had come directly from New York and your foreign wines--

Dieppe: I would not have liked them.

In 1935 Frank Schoonmaker and I worked together in New York, in the retail business. I helped him set up the Acker, Merrill and Condit chain in New York, which was owned by D.A. Schulte of the Schulte cigar stores.

Teiser: That was early in Schoonmaker's career.

Dieppe: Yes. And we got a very good bond of friendship.

Teiser: Never realizing that you were going to meet again out here--

Dieppe: No, not really. As a matter of fact, Frank Schoonmaker, when he set up his own company of Schoonmaker Imports and Wines, he was for a while the sole eastern distributor for Wente and Martini and Almadén. So, lo and behold, here I come back to meeting Frank Schoonmaker, after all those years away. *

Teiser: You worked for Marshall Duffield for how long?

Dieppe: Right through till 1954.

Teiser: Then you joined Almadén?

Dieppe: Right, shortly after then I joined Almadén.

---

*For further reminiscences of Frank Schoonmaker, see indexed pages.

## IV WITH ALMADÉN UNDER BENOIST, 1955-1969

### Expanding Almadén's Market in Southern California

Dieppe: During the time I was in the wholesale business, I wanted the experience of tasting all California wines, which I did.

Teiser: Something you could do then more easily than now!

Dieppe: Oh gosh, yes. There weren't that many. And my love of wines made me decide to join this little outfit of Almadén.

Teiser: Tell me, how did you do it?

Dieppe: There was a fellow by the name of Doug Bagier, who was the southwest regional representative for B.V., and going out to wine tastings with him I met the fellow who was in charge of Almadén. Almadén, as I say, was very, very, very small, and very small in distribution at that time, and he was looking for people to come in and work with him in Southern California, in the southern region.

It didn't sound like very much money, but I felt that there was a great future to the wine business, especially the wine business of California, more so than even the foreign wines. I think partly because of my heritage and the thought that eventually Americans, because Americans were predominantly from European parentage, would one day have to become wine drinkers, even though they were not at that time. I could see the fact that it was possible, with some years of work, to develop a fine business, however never even thinking for a moment at that time that I would ever head a company. And so I joined him, in '55.

Teiser: Did you come up to Northern California to see Almadén before you joined it?

Dieppe: Yes, I had to come up to be interviewed by H. Peter Jurgens, so I came up to San Francisco to be interviewed by him, and right away he felt that with my experience and knowledge that I would be an asset to the company.

Teiser: I should think they were lucky to get you.

Dieppe: Especially for no money to speak of.

Teiser: What was your impression of the company at that time?

Dieppe: I loved it, because I came down here with Jurgens, and I met Ollie [Oliver] Goulet and we sat around and we talked, and Armand Bussone. It just so happened that Frank Schoonmaker was also out here at that time, and that's how I got to re-join my old friendship with Frank. I just loved everything about it. This quaint little operation that was here at the time. It was nothing of course, obviously, to what it is today. And I met Louis Benoist at luncheon down here, and I was just intrigued with him. He was such an outstanding person, so vital.

Teiser: What did he look like?

Dieppe: Well, not at all the kind of fellow that I would have thought without meeting him. Since I am very tall, about a foot higher than he,--

Teiser: How tall are you?

Dieppe: I'm six four. Louis was very short and rounded.

Teiser: Wide? [laughing]

Dieppe: He loved fine food and fine wine, but he exercised. He was by no means just fat. He was round, but he was muscular. As a matter of fact, when he was at Annapolis he was captain of the wrestling team.

But he was so effusive and so excited about this wine business that I just said, "This is for me." You know, it was great. Obviously it certainly was not the appeal of more money, but it was the appeal of the fact that it was right along the same track of thinking that I had that this thing had to work.

Teiser: Benoist had been running Almadén for several years by then?

Dieppe: Since '41.

Teiser: He wasn't just enthusiastic about it as a new venture, then?

Dieppe: Oh, he was enthusiastic I guess from day one. As a matter of fact, after '51, when he got into really setting up this thing as a big commercial venture and he hired Peter Jurgens to come in as sales manager, he was full of excitement about its future, which proved him to be right, obviously.

Teiser: Who were his partners? Were you aware of others who were in with him?

Dieppe: Oh yes, from Lawrence Warehouse there were a number of people that were involved in the operation at that time. William Wallace, who was the attorney for Lawrence Warehouse, the attorney for Benoist, and on the board of the Lawrence Warehouse, and others. There were multiple people involved as partners in Lawrence Warehouse which owned Almadén. Louis Benoist did not own Almadén itself, but the board just gave him full rein to go ahead and develop it because he was lord and master of all he surveyed as far as Almadén was concerned.*

So I started then as a supervisor for Southern California.

Teiser: For sales.

Dieppe: For sales. And in less than a year the fellow who I had met to come into the company with, he decided to leave, and I took his job as southwest regional manager.

Teiser: Who was he? Just to put his name on the record.

Dieppe: Chick Saffell, Charles Saffell. [spells it] He was a great young man, and he had a tremendous amount of ambition and he decided he wanted to get into businesses that he could make a million dollars overnight in. He was very successful afterwards. But it was fortunate for me. As a matter of fact, I think it was about eight months later I became southwest regional manager, which had the largest amount of employees of the company's organization and sales at the time.

Teiser: What characterized the Southern California market at that time, as compared, for instance, to the Northern California or the national market?

Dieppe: Well, the first thing was that it was the most aggressive market because of its size and the tremendous amount of outlets. And I think again because of the type of living that there was in Southern California.

Teiser: Which is what?

---

*For additional recollections of Louis Benoist, see indexed pages. Almadén was held by the Lawrence Investment Corporation, of which Louis Benoist was president.

Dieppe: Well, obviously because of the motion picture industry and other industries, the people down there were very affluent, very, very big entertainers. They bought wine like crazy and spirits like crazy.

Teiser: Did they have good taste?

Dieppe: Well, large numbers of them did, yes. I mean people, let's say, like Louis B. Mayer, who I used to sell to, were great wine lovers and had very fine palates. Large numbers of them were very knowledgeable about wines; in fact had cellars for years and years and years. So it was not difficult to sell to restaurants or to sell to the fine package accounts. Beverly Hills was a very ripe area.

The wine tastings that were done by the Wine Advisory Board people, along with wineries themselves, were very successful. Of course when I came into the business, as I say, with Almaden, immediately I had convinced Jurgens that holding tastings was the route to go to best expose our products.

Now, Paul Masson was the biggest wine sold, and they were very aggressive. So I felt that without the large amount of capital required for advertising, that the wine tastings gave you at least a 50-per cent opportunity to be accepted or turned down. It was a fifty-fifty break. Either people would like it or they wouldn't like it. Whereas in advertising, as you know, you're lucky to get 4 or 5 per cent return on your dollar.

Teiser: Can you describe what kind of tastings there were then? Today, when we have such a--

Dieppe: They're wine-drinking parties today.

Teiser: What were yours like then?

Dieppe: Well, we would take them, as a matter of fact, more or less in brackets. We had groups of wives of doctors, or doctors' organizations, or groups that belonged to museums. Rarely did we take and just go to a household and say, "We'll set up a wine tasting for you." We would search out groups. The academic society at UCLA was very active in wine tastings. We would search out these people. We were flooded with requests by non-profit organizations and all kinds of people, because wine started to become a social conversation piece at that time, with just a small segment, obviously.

Teiser: What would you serve then?

Dieppe: Again I would say it was a matter of selectivity as to what kind of group we were going to. Now, at that time, when sherry was still an interesting product and sold quite well, we would serve some

Dieppe: sherries, a dry sherry probably first. We would serve different kinds of wines. Although red wines were the predominant favorite of people, we would always put in a Riesling or a Chardonnay or a Pinot Blanc, wines that were still popular at that time. But basically people were interested more in reds than they were in whites. Then, if we had an outstanding group, we would top it off with champagne.

Many times, for instance, with the Pasadena museum we would have just a champagne party and we would serve different kinds of sparkling wines. We would serve brut champagne and extra dry champagne and top it off with a rosé champagne. Or at the end of a wine tasting we would serve a champagne or a rosé champagne, putting the emphasis always on what we felt was best by discussion with the sponsors as to what kind of people we were exposing it to.

Teiser: Did you serve any kind of food with it?

Dieppe: No, the only thing we would have would be cheese and bread. The only times that there was ever anything other than that were times when the organizations themselves would like to have some kind of hors d'oeuvres. This was very big out at UCLA, where we would have very large groups, and these huge homes would have this kind of party. They were immensely successful.

It became quite professional, again I say, to be very selective as to what kind of a group we were exposing the wines to. Because if it were not a group that was the most knowledgeable, we would have to pick out wines that were more pleasing to the non-knowledgeable wine drinker and start with those, and then grade ourselves up to those kinds of wines that were by exposure most desired by those consumers. So, again I say, it became quite an amazing technique to learn what to serve--not just to say, "Well, come one, come all, just drink whatever"; never to have a large expanse of wines and say, "Well, here, take whatever you want."

Of course we had folders that were descriptive over-all of our different wines, and we would give out these folders to people. As a matter of fact, I would have clipped to the folders a label of each of the wines of the day that we were serving, which also gave a little history about the winery. So people could take that label, if they liked the wine that they were tasting, to a store and say, "Here's what I want." At that time, with the state-controlled pricing, we would even put the price on the label of what it would be in a store. People loved that because they didn't have to remember the names of Traminer and Gewürztraminer and Cabernet Sauvignon and the other wines that were difficult for them to understand. They could just take the label along with them.

Teiser: I've been gathering up wine material for years, anything that says "wine" on it, so I have a lot of old Frank Schoonmaker material, and I came across some folders that I'm sure were done by him, with those very cheerful little figures in several colors.

Dieppe: By Oscar Fabrés. Oscar Fabrés was a great artist, a very elderly gentleman, and a marvel of a person. We still have, in the archives here, originals of those.

That's another story. I don't know if you want to do it now or wait till we talk about Schoonmaker.

Let me continue with that southern California market, because I think it's abundantly necessary to tell you some of the great successes that made Almaden come to the fore so early, in such a short period of time.

We spent a lot of money on the wine tastings because I felt that the need for advertising per se was not nearly so great as the need to get directly to the consumer. I (along with the other fellows at Almadén working in the sales field that I increased considerably down there) would go out and work these wine tastings.

Then I felt, there must be a reason why we could not get greater activity in the selling of fine wines in the food markets of southern California. By that time Gallo had become a power, and there was Gallo and there were the Petri wines and Simis, and there was a large number of Padres and Santa Fe. There were a large number of commercial wines carried in the supermarkets, and by that time Safeway had gotten a couple of house-owned brands.

But the exposure of premium wines to the consumer was very, very insufficient to make them an impulse buy. The supermarkets would give you a row on a shelf of four bottles of an item, and maybe they would give you, if you were lucky, five, or if you were very, very lucky an eight-foot spread of different products, but never more than about four items. Even our great Almadén Grenache Rosé would maybe only have six or eight bottles. That's all that they would do.

I decided that it was necessary to increase our volume of business and increase our exposurability. So I started to work like the devil on food markets, the big chains. Well, for a long time they said that it was not economic, that every square inch of space had to have a turnover of x-amount of profit dollars. I proved to them that if they gave us more space, like on gondolas or on floor displays, that the turnover in dollars would equal a lot more than they were really getting in the lower-priced wines.

Dieppe: I'll never forget that one of the first ones to give us this opportunity was Hugh's Market. Only because I got close to the managers of the stores, a couple of them said, "Fine, we'll go along with you," and sold it to their regional supervisor. So we would get a small dump or bin, and put nice little advertising pieces along with Fabrés art pieces, which intrigued the consumer because it was different than just the plain cardboard bin.

Teiser: Meantime, you had Gallo people out there selling like mad, didn't you?

Dieppe: Yes, indeed yes. And let me tell you something, that some of Gallo's techniques taught me. I said, "Well, a Gallo can do that, why can't I?" By now he had upgraded the low-end price market by charging more than anybody else did. As a matter of fact, I think he was the first one to break the forty-nine-cent barrier on a bottle of sweet wines and went to fifty-five cents. I'll never forget it, as a matter of fact. So I said, "Well, hell, if Mr. Gallo can do this, so can I." I've told Ernest Gallo this many times; I said, "You know, I took a lesson from your techniques to do this for ourselves." And he's always been a good friend.

So this supermarket promotion became quite successful. As we did it, then others would try to come in, but we gained the march on most of the competition. The next one to come in strong was Paul Masson, to do the same thing. So it became quite a fight to stay ahead of the competition.

All the time since we originally went into that sort of field, we were getting more and more exposure. We did it a lot different than most people would think. We would put our wines near what was compatable to our products. Like the delicatessen area, we would put bins up there, or over here in another food section. We wouldn't just put them by the doorway, which really didn't have the impact for our types of wines, premiums. It did for Gallo, on the ends of the gondolas right where the check-out stand was. Fine for him, because you could pick up a couple of bottles.

At that time women still weren't the big buyers of wine, and so there wasn't this excitement that, "Well, hell, I'm going to have a bottle of Cabernet Sauvignon or Pinot Noir or whatever tonight for dinner, so I'll grab it and put it over there." It was still pretty much of a man's buying market. But the more and more that this exposure was in the stores, the more and more women started to become buyers.

So I think that this was without question, as Frank Schoonmaker would always tell me, one of the reasons why Almadén was able to come up so strongly and so quickly.

"Mountain Wines" and Varietal Wines

Dieppe: Now, don't forget that we had something that gave us a great ability to expand, and that was our "mountain wines." Now, a fifth of mountain wines at that time sold for--

##

The mountain wines sold for ninety-nine cents a bottle.

Teiser: As compared to, say, what was Louis Martini selling them for?

Dieppe: Well, of course, Louis Martini was not really involved at that early date with that kind of a business because, frankly, his varietal business and generic business was his forte more than his mountain wines.

Teiser: What was a "mountain wine" in those days?

Dieppe: Well, the mountain wines were generics. They were, as Louis Martini always said, "the wine master's art of blending all different good wines together."

Teiser: Louis M. or Louis P.?

Dieppe: Both.

Frank Schoonmaker said, "the mountain wines came over the mountains, so obviously they were mountain wines." Nobody ever complained about the fact that they were, because who knew the difference? [interviewer laughs] But they showed the winemaker's art as it is all over, in Europe or any place in the world, to blend all different kinds of grapes together. So that you would say mountain burgundy, mountain claret, and mountain chablis, and mountain sauterne, and mountain chianti, or whatever.

Teiser: Did you have, say, sauterne, whatever, that wasn't mountain?

Dieppe: Yes, we had Semillon sauterne.

Teiser: I mean your mountain wines, were they better or worse than your non-mountain wines? That's what I'm trying to say.

Dieppe: Well, they were not of the quality of pure varietals, or top generic, definitely not. But the fact is that here we were giving them premium wines at a price that nobody else touched. Paul Masson never had the mountain wines. Their generic wines, their burgundy, chablis, et al., were of a higher price than ours; they were

Dieppe: $1.29 at the time. So they didn't have the same advantage that we had in getting into mass marketing. We were able to compete against Paul Masson originally mostly because here we were with this ninety-nine-cent premium wine, cork-bottled and everything else.

Teiser: Let me go back to the definition of mountain wines. Mountain wines were, then, blends of good varieties but not the most expensive, is that it?

Dieppe: Exactly.

Teiser: The result of mainly careful blending?

Dieppe: Yes, ma'm, exactly. As a matter of fact, when the government started to say, getting away from the 51 per cent for varietals, you must have 75 per cent of the varietal*, Louis P. Martini was one of the first to fight against that because he said that all wine-making is an art, [i.e. the art of blending].

I'm sure you know that the most famous and the finest of the great vineyards of France blend their wines. They will have x amount of Cabernet Sauvignon, x amount of Merlot, x amount of Cabernet Franc, but they call them by the name of the chateau and so there's no conflict with the fact of what they are. And this is true in France of any fine wine; all they have to do under government law to put the vintage on is to make the wine of that vintage, but not of any specific type of grape. Louis Martini was correct in saying that this is the winemaker's art.

We all went to Washington one time, along with Frank Schoonmaker, to argue that same point, but the movement had already been made by certain consumer advocates that you were passing a fraud on the public by saying this is a Cabernet Franc or Cabernet Sauvignon, or whatever, if it wasn't more than 51 per cent, because the other 49 per cent could be junk, according to them, which wasn't true, obviously. But they finally won out to where we had to start with the 75-per cent varietal

But the mountain wines were truly very fine wines and still are a marvelous buy. So, as I say, this mountain wine, at its price, gave us the ability to start to sell more and more of our products in competition with other lines. Because, we'll say, for the tremendous amount of small restaurants in southern California particularly at that time, either Italian restaurants or Mexican restaurants, they didn't carry a large stock of varietals; they

---

*In order to label the wine with the name of the predominant grape variety.

Dieppe: wanted an inexpensive wine but a good wine. So as far as the marketing in Southern California is concerned, this gave us our first real big boom.

Teiser: Was Southern California the main market for Almadén at that time?

Dieppe: Well, relatively, yes. By the tremendous amount of population, size, affluence, all of the reasons in the world to say why it would be, yes.

Teiser: How about compared to New York?

Dieppe: Well, New York at that time was very, very small for us. As a matter of fact, in the history of our company New York has never given us, in all of our increases of volume, more than 10 or 11 per cent of our total volume, whereas the state of California has given up as high as 35 or 36 per cent of our total volume.

## Louis Benoist

[Interview 2: November 20, 1984]##

Teiser: May we start today with Louis Benoist? Mr. Benoist's name has always been well known to me, but I never knew what he was beyond being an enthusiast for wine. I never knew if he, in fact, had expertise in business or leadership or that he had the qualities to make him a good head of a winery, especially a good head of a winery which was I guess almost flat when he bought it.

Dieppe: Yes. Well, let me just give you a little something about Louis Benoist's personal background.* Louis Benoist came from a banking family, and he went to Annapolis, class of 1921. In years later I have met many of his classmates who were admirals and captains and so forth, all marvelous gentlemen, and of course they all remembered Louis Benoist very well because here was this amazing man--very, very bright; brilliant, as a matter of fact, both in personality and in knowledge--but here he was, five foot four, round, strongly built, captain of the Annapolis wrestling team, of all things. A very athletic man.

---

*For previous mention of Louis Benoist, see pages 14-15.

Dieppe: So he did his first stint in the navy, and then, not wanting to be a career military man, he got out and he went to Chicago Power and Light for a short time as engineer and designer.

Then he came out to California in the mid-twenties and he first started at the Bank of America in a sort of middle-management position because he was extremely bright with figures. He had a calculating mind, if you will. He could just think [snaps fingers] instantaneously about monies and interest and all the other things necessary as a banker. Of course that didn't satisfy his urge to be a businessman.

So he got into what was then called at that time the Gibson Warehousing Corporation in San Francisco on Drumm Street. The Gibson Company was a company that did nothing else but arrange for people who needed to make loans from banks and lending organizations by guaranteeing their inventories as security for the loans. And they had large numbers of what were called examiners who would be in charge of the inventories that were locked up. The inventories were controlled by examiners until the monies were paid back to the lenders.

Teiser: They would have to actually physically warehouse?

Dieppe: Well, they didn't physically supply the warehouses. All they supplied was the manpower to guarantee that the inventories were there.

Teiser: Whether they were on the owner's premises or not.

Dieppe: Wherever. Exactly.

Mr. Gibson was quite elderly, and a very short time later Louis Benoist became the head of the company, and he changed the name from Gibson to Lawrence Warehouse Company.

Teiser: Why?

Dieppe: Well, he just felt that rather than be the name of a personage before, it would have a complete new identity, under his regime.

Teiser: What did "Lawrence" mean?

Dieppe: I don't know, and I never heard a word for why he called it Lawrence.

He became tremendously successful because in those years, the years of the Depression, just about everybody had to borrow money to float their accounts receivables and their inventories, and their inventories were by far the best way to get monies. So Lawrence business just thrived, and of course having no other investment

Dieppe: other than manpower, personnel, they made money hand over fist. And opportunities were always coming his way, knowing the conditions of companies, to take over companies or buy out this or buy out that and reinstill some excitement and management and then sell them.

So Louis was really a genius at it. I mean you talk about his ability as a businessman. He had no qualms about risks and rewards. To him everything that was a risk was a reward. Nothing was a failure.

So that's why he had the knowledge of the demise of Paul Masson, and the operations of Almadén by the fellows who took it out of the bankruptcy court. The Paul Masson winery was operated at that time by Martin Ray.

Teiser: Let me go back to what you were saying. I was told that during the Depression almost every winery in California borrowed on its inventory.

Dieppe: Yes, you saw these orange and black Lawrence Warehouse signs just about on everybody.

Teiser: Wherever there was an inventory which was borrowed upon, he had the Lawrence Warehouse sign?

Dieppe: Yes. In fact, years later this Almadén place still had a lot of Lawrence Warehouse signs around. They had these huge brass locks, and I have one of those locks and one of the great big brass keys that I kept as a memento. I used to have some of the signs, but I found out that the signs, like old license plates on cars, weren't very good to handle because they took up too doggone much room, and I would need a warehouse to have kept everything.

Teiser: But a big proportion of the California wine industry was indebted?

Dieppe: Oh yes, quite substantial. Then of course along would come the crop and you would bail out. So it was sort of a rotating fund all the time: you had just about paid off everything and then, boom, you had to reinvest capital to buy grapes for new wine.

Teiser: So you'd borrow again.

Dieppe: It's very much like what we call today leveraging.

So anyway, when the opportunity came along Benoist and a couple of his associates were then able to, in 1941, buy Almadén. He had the opportunity at that time to even take over Paul Masson for almost nothing because there'd been a large fire up there, up on the hill—

Teiser: And nothing was going on?

Dieppe: Nothing at all going on. But he didn't want that. He just wanted this facility here, which was about 550 acres. He felt that this was enough, and he never thought of the importance of buying the so-called Paul Masson Winery, for the name or whatever. It didn't make any difference to him.

Teiser: Let me ask you something that has nothing to do with this, but that probably you know about. I've been told that the reason that Seagram bought Masson in 1942 was that Samuel Bronfman wanted the name to use on brandy that he was making, in the valley of course. Did you ever hear that?

Dieppe: Yes. And he saw the opportunity that for a doggone few pennies he could buy this facility up on the hill as sort of a home facility, home headquarters, that carried the prestige of the name Paul Masson, who because of his marrying into this family here, the Lefranc family,* was able to say, not without contest, that the vineyards were established in 1852. So that Bronfman was not stupid, buying for a few dollars something of great heritage. And heritage was a very important thing because in the spirits business, antiquity, was of the greatest importance to any business, because here we are in this country of ours with the few numbers of years we've been in existence, the one thing we always wanted to be able to say, like the foreigners did, "Well, we started in 1700," or whatever. So 1852 was a charm.

Teiser: Thank you for adding that.

Dieppe: No question about it.

So Mr. Benoist said, "Well, this [Almadén] should be a fine investment." And frankly that's about all he thought about it for the quick moment, that here it was, available, nobody wanted it, nobody was interested in investing any monies into it because it would take considerable monies to refurbish the buildings and the operations, and the vineyards needed to be re-planted and so forth. So finally he took it over, not really at the moment thinking of it for the long future. But, like I said before, he would take over many different kinds of companies, fine wood and everything else. So they bought this.

---

*Almadén traces its heritage to Etienne Theé in 1852, who was succeeded by his son-in-law, Charles Lefranc, who was the father-in-law of Paul Masson and employed him before Masson established his own winery.

Dieppe: Then Ollie Goulet, who was the winemaker at Paul Masson for Martin Ray, lost his position there when the fire came, and Frank Schoonmaker saw the opportunity. Frank Schoonmaker had a wine shop in San Francisco in Maiden Lane at the time. He had met Benoist, who searched about, through Leon Adams, so they became associated. Frank Schoonmaker said, "Well, by all means we must get this man Ollie Goulet because he's noted as being the top champagne maker without peer anywhere and take him over and put him into this new Almadén operation," which is how Louis Benoist got Oliver Goulet.

Teiser: Incidentally, I saw a bottle of champagne that Goulet had made for the fellow who owned what is now Chalone, William Silvear.

Dieppe: I've never seen anything on that. I have some old, old labels even from that time on, but I've never known of that association. But it was true that Ollie Goulet was an absolute master. He had a palate, bar none, and so he was a marvelous champagne maker. And Schoonmaker and Benoist both thought that was a marvelous person to get because the uses of champagne had really just started to appeal to the affluent American. So Ollie came over here at that time.

Then of course it being '41, they very quickly ran into the war years. Well, fortunately Benoist and his Lawrence Warehouse Company were making such a tremendous amount of money, and the cash flow was just fantastic, and so he was taking this large amount of cash and putting it in to refurbish the operations here, even though there was very, very little bit of sales and no profit, obviously. It was actually just a pure investment for the future.

But Louis Benoist was a real aristocrat in so many ways. In his thinking, in his life style. His family were that in St. Louis, and he loved to entertain on a grand scale. Everything about his personal standards of life were of the ultimate, the grand man. So he started to fall in love with this thing. Of course none of his associates at Lawrence Warehouse particularly worried about it because obviously even though you're not making a profit, if you're putting an investment of capital into an operation and building it, its net worth grows and goes up and some day you hope to reap the harvest from it by sale or whatever. So he continued to do that.

Ollie Goulet was the supreme master of the winery here. Louis Benoist would have nothing to do with the every-day operations. He would come down here and stay in the manor house, but Goulet was the supreme guy. He did everything; he was the operator not only of the wines but everything that went on in the winery.

Frank Schoonmaker and Goulet would confer on what they thought the wines should be and what should be produced. So they started to make a few of the varietal wines, which Frank Schoonmaker was very, very adamant about--the fact that these were most necessary for the United States wine producer to do.

Teiser: Louis M. Martini told me Schoonmaker advised that he get into varietal wines and labels.

Dieppe: Yes, right.

So until actually 1951, this was a net loss as far as operating was concerned--no profits, but continually growing and fixing things up. The beauty of the place was well established, and it became a tremendously well-known entertainment place. Fine people of the area here and from all over would come and be entertained by Louis. Not only his fine old navy buddies, but people of all stature, of Standard Oil and so forth. He was a member of the Bohemian Club, and would have those members down here.

Then he had gone into a little arrangement, which is no great consequence for this particular part of the subject I don't think, but it was sort of a merger of Almadén and Madrone [Vineyards]*, which was operated by Lucky Lager Company. Ed Muzzey was the president of that. So in the merger they tried to operate the two things together, Almadén producing the top quality wines, the varietal wines and the champagnes, and Madrone producing the generics and the sweet wines. They had bought the sweet-wine-production soleras from Escalon.

So anyway, then Lucky Lager was ordered by its parent company, Labatt's in Canada, to divest themselves of the wine business. So Louis Benoist then took back Almadén in its total. Along with that [he decided upon] the concept of "Well, now we're going to go into this business as a profitable commercial venture." So he brought along from Lucky Lager H. Peter Jurgens as the sales manager.

## Frank Schoonmaker and Sales Promotion

Dieppe: Up until that time, the end of '51, the wines of Almadén were distributed by Frank Schoonmaker & Company throughout the whole United States. So now they decided that the thing to do was to go and have salespeople working directly for Almadén, going out and taking th the Almadén wines throughout the United States. A few distributors had been set up by Frank Schoonmaker. Peter Jurgens started right off by hiring a few men, and actually we had at that time I think

---

*In 1950 the Lefranc Corporation, owner of Almadén, conveyed it to Madrone Vineyards in exchange for approximately 25 per cent of the shares of Madrone. The Lefranc Corporation was owned by Lawrence Investment Corporation.

Dieppe: seven or eight men of our own covering out of major areas of the country, and got up very quickly to 150 distributors throughout the United States.

The salespeople were doing very much the same thing as I said I did down in Los Angeles, but they would also train sales personnel of distributors, who were nothing more than whiskey people, or spirits people. The Almadén salespeople started to train them to sell wine as they were going around selling their other products. That was their major chore.

Teiser: It was hard to do, wasn't it?

Dieppe: It was hard to do because they were totally without knowledge. Frank also would get little dictionaries to give each man so at least he knew the vocabulary--

Teiser: Frank Schoonmaker became part of your program of sales agents?

Dieppe: As a consultant. Along with H. Peter Jurgens, he was telling the company here what he thought was necessary.

##

Dieppe: Frank Schoonmaker felt that the best way to introduce Almadén wines or the wines of California into any market was to take them into the restaurants. That would give the people an opportunity to taste these products without having to go to a store. The stores, with a few exceptions, didn't know anything. So the chore of Almadén and distributor personnel was to take the wines to a restaurant and sell them, thereby giving the consumer an opportunity to say, "Gee, I like this. I'll go to a store and buy it." And of course it was true that that was the best vehicle.
[brief tape interruption]

Now, another thing that Frank Schoonmaker knew, believed strongly in, was that you can't expect poor waiters or waitresses--mostly waiters in those days—to know anything about wine. Nobody had ever trained them, nobody had ever taught them. They just put out the food and that was it. So he recommended that we start to print small wine lists, nothing of any great extent, with predominantly Almadén on them and then a few smackings of a wine or two from here and there. And on those were these marvelous little characters of Oscar Fabrés.

Teiser: Very happy little drawings.

Dieppe: Marvelous. As a matter of fact, the lists were just a simple fold and on the front cover would be a depiction. If it was a seafood restaurant there would be fishes from Oscar Fabrés, and if it was

Dieppe: Mexican it would be a donkey with a Mexican on it, and a French restaurant would be a French chef saying, "Voilá," all of these sort of things. They were so exciting and so appealing that people loved them, would take them home with them. So the name Almadén became very simple not only to remember and then go to the store and buy, but they would say, "Well, gee, I went to this restaurant and here's a little wine list from it," that sort of thing.

Teiser: Was Fabrés in the East?

Dieppe: Yes, he lived in New York City.

Teiser: I was looking over some of those lists and other promotion pieces. They're printed in the East also, very well printed.

Dieppe: Well, for a while they were printed in the East, and then as we grew more and more we had a printer in San Francisco called John Morosi, and then we had a couple of printers in Los Angeles. By now, as I was coming along, we were just doing them by the droves and we needed to have these printers to do them, and they were just marvelous. We would print up fifty or a hundred of them, and then reprint them and make any changes that were necessary, and the wines that were drawing best in that restaurant we would put the emphasis on those. And always along with the name of the wine was this description, as you probably know from your collection, of what were these wines, what were they best with, and so forth. So this was an education program.

Teiser: Must have been expensive.

Dieppe: Far less expensive than we've had in these later years of television advertising or anything else, believe it. I'll never forget that in 1955 and '56, in those early years, it would cost us like twenty-five dollars for a hundred of these little wine lists. Well now, even though we'd sell a case of wine for ten dollars, twenty-five dollars wasn't much because the increased consumption of wine was so big in the accounts that we were happy and pleased, and we'd say, "Please give them away." In fact, for a while, until it was declared illegal, we even had them so they could be mailed away. We had an address [part], and you probably have some of those.

Teiser: I have one of those.

Dieppe: Many restaurants weren't even called on by distributors, particularly little restaurants that didn't have a spirits license. The distributors wouldn't call on them because we didn't have anything in those days called just pure wine distributors; they were general distributors of all alcoholic products. But one restaurateur would see a place locally that he knew and he would go and say, "Gee, I

Dieppe: think this is a great idea. I want to get hold of them." So the fellow would say, "Why don't you call up and tell them." So they'd call up the office and say, "Send a man over, we'd like to see this list." So our man would go over.

Teiser: Did the restaurant's name appear on the lists?

Dieppe: Yes, ma'm. Until there was a restriction later on. But in the early days there were really no restrictions because even though legally there was a technicality that said you shouldn't do it, both the ABC* here in the state as well as the federal people I think kind of viewed it as being allowable. Nobody in the industry complained, as they do today. Everybody was trying hard to just get anybody to drink wine, and since it seemed to be doing such a good educational job, nobody complained about it. In fact, everybody else started to get into doing the same thing.

Then of course Frank Schoonmaker felt that there had to be a vehicle to get people to try these wines that were called "sour" wines by the large masses of the public who didn't understand what a dry wine was. So he recommended that we come out with a dry rosé similar to the rosé of the Rhone Valley, the Tavel rosé which was made from the Grenache grape. There was an abundance of Grenache grape here in California, which, incidentally, was the largest grape used in making port in those days.

So we came out with Almadén Grenache Rosé. Well, it was probably the most successful single wine product in the country. When I say "wine product," obviously I'm speaking of table wines. Wherever in the country you would go--I can remember even before I joined Almadén--you could go to a restaurant and if nothing else you would find Almadén Grenache Rosé.

Teiser: It wasn't dry by our present standards, was it?

Dieppe: No. It was, as a matter of fact, more fruity, but the residual sugars were down. But it was fruity, which gave it a slightly sweet taste to it.

Teiser: Do you know the level of residual sugar?

Dieppe: The residual sugar was less than 1 per cent, but by the same token we would come down from an acidity of .9 to an acidity of about .6, so that the balance was just beautiful. You still had the fresh

---

*The Department of Alcoholic Beverage Control.

Dieppe: fruitiness of the wine with little residual sugar and without a high acidity.

Teiser: And it was young?

Dieppe: And it was aged young, it wanted to be young, the same as in Europe it wants to be young, even to this very day.

So the influence of Schoonmaker, and Goulet's absolute master winemaking and wine breeding, and the fact that Benoist was able to put in these monies all the time, gave us the ability to take Almadén to market on a national basis, not just on a limited basis.

So of course, as I say, when H. Peter Jurgens came into the company, the first thing that he had to do was to hire a few men and then go out to get more distributors around the country and as many places as was possible to give us the outlet for increased sales equal to the increased capacities of the winery as Benoist was putting money into it.

Then he also started to put delightful little ads in the better magazines. Gourmet magazine was one of the first, New Yorker magazine, House and Garden, magazines of that type. Again, they always had the Fabrés artwork done as a border around them. And they were so delightful. I still have some of them from back in those days, and we still have proprietory rights to the drawing. People always were attracted to them. If you just took and spun the pages of a magazine quickly, this flash of color and the uniqueness of the animals would catch your fancy.

So tying all of the talents together, it very quickly started growing, and as it grew there was more and more need for manpower, and that's why, as I say, I was able to get into the company in 1955.

## Expanding Wine Production in the 1960s

Dieppe: I think probably the next subject that you would want to hit, even though it is a little bit out of order is Al Huntsinger joining the company in '62. We needed the ability of somebody to produce these large quantities of mountain wines and generic wines, although Goulet and Armand Bussone were masters at making and blending the finer wines.

So they got Al Huntsinger in, who was a chemist and who had had a background of bulk wines in New York state. He came out to California and he joined up first with Charles Krug Winery during

Dieppe: the war, and then for a few years the Napa Valley Co-op, and then came with Almadén in 1962. His basic chore was to maintain the ability of these wines to be absolute in their continuity, never vulnerable to the characteristics of one year's against another. Al Huntsinger had this amazing ability because of his chemical knowledge, to blend to perfection and to be continuously the same one day in and one day out. The people of the United States who were not wine-knowledgeable needed to be able to be sure that "Every day I buy a bottle of Almadén wine, it's the same." Which, as I said before, was Louis Martini's idea that the wine should be able to be blended because of the winemaker's art. So that was basically the reason for Al Huntsinger coming in 1962.

Teiser: I thought he first worked for you over in San Benito County.

Dieppe: No, not to my knowledge. I think you're thinking about [Amand] Kasmatis. Kasmatis came with us in '66 and worked as an assistant winemaker at Cienega.

Teiser: Goulet was killed suddenly, wasn't he?

Dieppe: Yes, in 1962, the year that Huntsinger came with us. But he came in prior to Goulet's death. He worked actually under Goulet when he first came with the company.

Teiser: What would have happened if Goulet hadn't been killed? He was killed in an automobile accident, wasn't he?

Dieppe: Yes. Hit by a train. Going to Cienega as a matter of fact.

Teiser: Would the course of events have changed if he hadn't been killed?

Dieppe: I'd say yes.

Teiser: What would have happened?

Dieppe: Well, Goulet was such a strong character that frankly, even though we were selling a tremendous quantity of mountain wine by the time that he died, he never wanted to get any further into large production. His feelings were that our varietals were the most important part of our business and our varietals and our champagnes should be at least 50 per cent of our business. The volumes were always increasing, but the proportion of varietals and champagne as against our total was decreasing. I have got to believe that his influence on Benoist would have been such that Benoist would have said to we in the sales business, "Hey fellas, knock it off. Slow it down," and maybe we would never have grown, at least during Benoist's years, the way we did.

Teiser: For the mountain wines, were you bringing in grapes or anything from the San Joaquin Valley?

Dieppe: We bought wines from everybody. We bought them from Sierra [Wine Corporation of Fresno], we bought them from numbers of people. We bought them from every one of the fine producers up north, Beaulieu, Simi in later years. We bought practically everything that Mirassou had; this was when Mirassou wasn't labeling. We bought practically his total production of anything that was of top quality. Goulet and Ed [Edmund A. Mirassou] and we were very close friends.

Teiser: Did they go into your varietals or into your mountain wines or both?

Dieppe: Varietals as well as mountains. The top quality would go into the varietal. Ed had excellent wines, and his business was basically bulk at that time, as you know.

We bought wines from just about every good producer up in Napa. We bought large quantities from producers out in the Valley because we needed that, and they were all good quality wines.

Teiser: The mountain wines were made up more of the Valley wines?

Dieppe: Yes. And the generic line was made up mostly of the wines that we would have that were secondary from the producers up north, and Mirassou.

Teiser: Huntsinger, then, was more interested in the mountain wines?

Dieppe: He was brought in for his knowledge of producing large quantities of wines and controlling them to the nth degree of continuity—consistently the quality, the sameness in palate and so forth. But of course that was not his only ability, but he was brought into this company for that purpose under Goulet. Then of course when Goulet was killed, Al became wine master himself. So don't think that he was only a producer of large bulks of wines; he was also a good winemaker.

Frank Schoonmaker, Continued

Teiser: I wonder if we should go back to Schoonmaker. I think you've described Mr. Benoist very well. Can you do the same for Frank Schoonmaker, especially since you knew him early?*

---

*See page 12.

Dieppe: I sure can. As I say, I first knew Frank Schoonmaker and worked with him in the East setting up a company called Acker, Merrill and Condit, the famous old grocery company which went out of business. David A. Schulte, who owned the Schulte cigar stores, bought the name Acker, Merrill and Condit to make it a retail wine and spirits outlet. Now, as you know, in New York you're only allowed one license, one retail license. So we had the one major store up on northern Broadway in New York City, and then one by one we opened up five more stores in New Jersey, in different cities.

Teiser: How did Schoonmaker get in on that?

Dieppe: Well, because Schoonmaker was known as a wine man. See, basically Schoonmaker's background was as a journalist. Schoonmaker went to Europe because he was not of the best health, in the twenties, and he wrote little travel talks, bicycled around, hitchhiked by cart and whatever, and would go from vineyard to vineyard. He got to know everybody in the vineyard business and got to know about wines. So he wrote a travel column and inserted into that all these stories about the wine business. These stories were bought by New Yorker magazine and others.

So being knowledgeable and being noted as a wine man, David Schulte hired him as the authority. The general manager of the operation was a fellow by the name of Gordon Bass, who was working for Gimbel at the time in New York City, in charge of their liquor store. He was a marvelous man. He couldn't go into the service because he had a deaf ear, but all during the war he was in the distributing business, and he was very much in love with wines. I'd see him many times after the war; he was also a member of the Chevaliers de Tastevin, and I would see him occasionally in the East for those marvelous dinners.

Now, to get to Frank Schoonmaker and his personality. Frank Schoonmaker was an absolute perfectionist monster. I must say that. I loved the man dearly, and many other people loved him for the same reason; he could not abide anything mediocre. It had to be perfect. And one of his great influences here at Almadén was that he insisted that things be perfect. The wine-tasting panel consisted in the early days of Goulet, Schoonmaker, and Bussone, and nothing went out of here unless it was of the finest quality, equal to what they wanted.

Teiser: Bussone was in charge of the cellar?

Dieppe: Yes, he was assistant winemaker and in charge of the cellar, and had a very fine palate. And he makes good wines today up at Geyser Peak.

Teiser: The same man?

Frank Schoonmaker, consultant to Almadén, with Stephen C. Owen, director of National Distillers and Chemical Corporation *(left)*, and John McClelland, vice-president of marketing *(right)*, at 1972 national sales meeting.

Dieppe: Yes. He was just a kid when he worked here. In fact, when Huntsinger left, I offered Bussone the opportunity to be wine master, and he didn't want the whole responsibility, so he said, no. He thought he wanted to leave, and he went to join Huntsinger up at Geyser Peak when Schlitz owned it.

So Schoonmaker, having his previous knowledge about the European wineries and wine trade, after he got through with setting up these retail operations in New York, set up his own importing company, the F.S. Importing Company. The only unfortunate thing about Frank Schoonmaker, he was probably the poorest businessman in the world. He went broke a couple of times.

When he first set up this importing company Tom Marvel, if you may remember, who is a writer, joined him, and a young fellow by the name of Alexis Lichine joined him, and they were the three principals of the F.S. Importing Company, until finally Alexis went out on his own. Tom Marvel never did because frankly Tom Marvel was mostly a writer and a promoter.

Then of course Frank went into the service, in the OSS, and got back after the war and then went again back into importing and distributing. For a time he had Beaulieu in the East, and Wente and Martini, before "21" [Brands] took it over, and Almadén. And he was the distributor for Almadén straight through until the end of '50. He had about forty to fifty distributors in the United States and had brokers working for him in the different areas, until, as I say, Louis Benoist and Jurgens started to go into their own distribution.

Most of the men who worked for Frank Schoonmaker as brokers come over to us as half on our salary and half on his salary, until we finally took them all over ourselves. All marvelous men. There were only a couple of exceptions, men that finally had to leave us. The rest of them all died in our employ, and they were marvelous gentlemen, very knowledgeable about wines.

Frank Schoonmaker's contribution, as I said, was his magnificent palate.

Teiser: Can you give me a physical description of Frank Schoonmaker?

Dieppe: Yes. Frank was a little bit better than normal height. Although he was never in the best of health, he looked rather well set because he had a fine bone structure. But in later years Frank would kiddingly say, "I have Ford Motor parts in me, I have this and that," because he had pacemakers, he had artificial pieces of aluminum in him, he had plastic tubes, he had so many things, because he was continuously bothered with some ailment, but pursued his business, sometimes when he was almost dying.

Dieppe: He worked hard, and terribly, terribly in love with the wine business and a believer in the future of it. Frankly I think that Frank had a tremendous influence on me and my belief in the future of the wine business. That's why I gambled the future for it, and thanks be that it turned out to be for me a very successful industry.

He was always clean-shaven, very clean. The only thing you could say about Frank was that he never had a sartorial elegance. His greatest failing was that he was always so busy traveling and so busy doing things and popping from one hotel to another, from one city to another, that his pants were always rumpled. [interviewer laughs] You know, not that he was unclean or his jacket was unclean.

##

Dieppe: Either because he was like an absent-minded professor--and he was in some ways very professorial--his pants always seemed to never have a crease in them. And he'd stride along. As I say, you'd almost think from his structure that he was a very magnificent, athletic, healthy man, but he never was.

I think I've told you so many of the things that he did. Oh, one thing I didn't tell you was that I think we at Almadén were one of the few first to put out what was called a newsletter from the winery and the name of it was "News from the Vineyards." Frank was the editor of that, and I have reams of these marvelous things, and he would have a story about wines in the early parts of it. Then, on the back page, there would be one or two or even three excellent food recipes, because Frank was always, again, a true believer that wine and food were the perfect partners.

Teiser: As I was looking over those just now, I wondered why you don't reissue some of those recipes?

Dieppe: I have. As a matter of fact, I even recommended that now in my retirement I put together a book of recipes and things like that. Well, New York, unfortunately doesn't think that way, I'm sorry to say, so it's not being done. But I have them all together.

We had a huge mailing list. In fact, we had a basement on Broadway in San Francisco where we had an Addressograph machine and everything, untill the time when people became so mobile that you no longer could get the proper address, and it cost a fortune to get them back and everything.

We had one article that just was on tremendous demand. It was an article on cork. It told the whole history about cork and what it came from and how it came from it and why did it come from

Dieppe: it and why, after the war, was good wine cork so unavailable. And it still is today, wine corks are not the best any more, and they're very expensive, as a matter of fact. At one time we were the largest buyers of cork for wine bottles in the world, bar none, and every cork manufacturer wanted our business.

Teiser: What did you use, mainly Portuguese?

Dieppe: Portuguese and Spanish, yes.

So Frank always edited that marvelous "News from the Vineyards." We had the [Grenache] rosé, we had the back labels which had to be descriptive of the wine, those marvelous little Fabrés art pieces, the wine lists, and the concept of going and taking wine first into restaurants.

As a matter of fact, when I was in Los Angeles our business, to the best of our ability to make a survey, was 60 per cent in restaurants and 40 per cent in package stores. Of course there's a vast difference today, obviously. But that was true. The first vehicle of presenting wines to consumers for the best results was through restaurants.

Teiser: Let me ask, did you sell to restaurants, at a lower price than to package stores?

Dieppe: No, ma'm. The same rate. It had to be at that time.

Teiser: But profits to the winery were the same?

Dieppe: You see, we sold to distributors, and so our profits to distributors was exactly the same. And then distributors sold to restaurants and package stores. The only difference was that in those days the mark-ups were pretty well established, and under price controls that we had in those days, generally a retailer, except for a few, would put a 50 per cent mark-up on the price that they paid to the wholesaler, and the wholesaler had a 25 per cent mark-up.

Teiser: And how did it work with the restaurants?

Dieppe: Some are getting a little bit more realistic, but the horrible part of it is it took so many years, and still to this day restaurants are horrible in the prices that they charge for wines.

Teiser: They take too big a mark-up?

Dieppe: Oh, horrible. As a matter of fact, just let me point out to you that probably the best thing that happened to the small, boutique wineries was that restaurants would buy their wines because they weren't in all the package stores and they could charge outrageous

Dieppe: prices. They would charge eighteen or twenty dollars for a bottle of wine that really you should be able to buy for five or six dollars. So Paul Masson and Christian Brothers and people like ourselves suffered in restaurants in later years because we were in all the package stores, and the consumer would say, "Hey, this is ridiculous. I pay five or six dollars for a bottle of Cabernet Sauvignon, how come you charge me fifteen, eighteen dollars? That's kind of gouging, isn't it?" And it's still very difficult to get restaurants to charge realistically. We used to tell them, "Why don't you charge 140 per cent? That's fair, for your service, your glassware, and everything else, chilling wines and whatever." But 300, 400 per cent is kind of ridiculous, and sometimes they charge more.

## The Accent on Almadén ##

Teiser: When did the accent appear on the name Almadén?

Dieppe: Somewhere during the early days of Benoist. I've had more trouble with printers, and I'll tell you why. Mr. Benoist would be in an absolute rage if any magazine, any publication, anything [didn't have the accent]. I'll never forget we'd spent about $50,000 having product brochures made up, and, lo and behold, the accent was not on there. And I had to admit to him that I myself, in proof-reading the copy, had overlooked the accent on the e to make it én, you know. He said, "Make them print it again, we'll pay for it, but I ought to take it out of your salary." He never did, obviously. But he was doing it for a purpose, to make me so aware of the accent that I never, from that day on, neglected to tell any publisher. And our advertising agencies, always I would beat them to death saying, "Don't you let a proof-reader ever let anything through done by us that doesn't have the accent on it." National, if they were aware of it, never really particularly cared whether it was done or not.

Almadén [emphasizes last syllable] is the proper way of saying it because the word Almadén is Moorish. You know that. The Moors were the ones who first started to develop the Almadén mine, the quicksilver mine in Spain, which was under control of Moors at that time. And it was two words: Al, meaning the, and madén with the accent, dén, Moorish. And then when the New Almaden was named down here [in Santa Clara County], it became one word.

Teiser: If New Almaden ever had an accent on it, they must have dropped it very early.

Dieppe: I doubt if it ever had the accent on it when it became one word. But Benoist was for sure the one that I know of who was most, oh, incited to murder if you didn't do it.

Gold Seal of New York ##

Teiser: I'd like to ask about Mr. Benoist's interest in Gold Seal of New York, in the 1950s I believe.

Dieppe: I think 1956. What happened was that Paul Schlem, who owned Gold Seal Winery at that time, had taken it over from old Charles [M.] Fournier. He was a well-known financier putting together operations and so forth, and so he approached Benoist on buying Gold Seal. Benoist was intrigued with the idea of having a California operation and a New York state operation. He thought this would be just great.

I argued against it, strongly, because I have to say honestly that in my experience I've never thought very highly about New York state wines. About the only thing I thought that was very fine from Gold Seal was the champagne that Fournier made. Other than that, forget it. I said I thought it would downgrade our image that we had at that time, but of course I lost out, and he took it over anyway.

In some instances we put Gold Seal into Almadén distributors, and we had old time Gold Seal distributors which we left on the marketplace. But it never really accomplished anything for us. Except for Phoenix, Arizona, there was no place in the West that sold any Gold Seal, Phoenix had a large influx every winter of easterners who knew Gold Seal. Around the country, except in the East Coast, it was a very poorly business, and finally Benoist got out of it. Then eventually it was taken over by Seagrams, in later years.

Adding Vineyards in San Benito County

Teiser: Let me ask about the physical growth of Almadén.

Dieppe: All right. The expansion into San Benito County?

Teiser: In the middle 1950s Benoist started acquiring land in San Benito County, I believe.

Dieppe: He bought some land in Santa Clara County before that even. He bought a 150-acre piece down the road here from a fellow by the name of Jim Howell who was also at that time a director of Lawrence Company. He would pick up pieces like that, but actually the main volume was here, at this particular winery facility.

Teiser: The vineyards were here?

Dieppe: Yes.

But the first major expansion was made in Paicines, at the end of 1955, from a fellow by the name of Colonel Sykes.

I've got to tell you how it happened that we got in there. There's the valley of Paicines and that area around it. It was operated by ranchers, predominantly, and they were very jealous of any outsiders coming in. They more or less had an agreement between themselves if anybody who wanted to sell or died that their neighbors would buy the property.

Well, Colonel Sykes was a terrific old hard-boiled colonel in the army, and when he retired he bought property down there and went into the growing of prunes and walnuts and things and sold them directly to outlets, instead of going through the normal channels. He didn't like his neighbors, and so he made his wife promise that she would never sell the property to the neighbors. So when old Colonel Sykes died, Mrs. Sykes followed his wishes.

Dr. [Albert J.] Winkler had gone through that area and felt that that had the potential of being a tremendous wine-growing area. I don't remember how they got together, but he had told Benoist about it, and so Benoist went down when he heard about Colonel Sykes, and he offered to buy the total properties, houses and everything, from Mrs. Sykes, and she sold everything to him. That's how we started in 1956 to develop that home property at Paicines.

Teiser: How large a plot was it?

Dieppe: It was close to 2,000 acres at that time.

Then we started to pick up additional properties around there and leasing other properties that were all mostly continguous to the properties that we owned. If properties around it were owned by people that didn't want to sell but wanted to lease them out on long-term leases, we would do that, and we still have all of those.

Teiser: In 1955 you leased the Valliant property, didn't you?

Dieppe: Well, when that was owned by Hiram Walker company the chairman of Hiram Walker company was a very good friend of Louis Benoist's.* They didn't have any reason for wanting to operate that winery at Cienega and the vineyard property, all they wanted to have was that big house down there to entertain their salespeople from around the country and some VIP distributors. So they offered to Louis to lease the winery and the vineyard properties and houses, except for the main house.

Then, finally, when, I can't remember his name, but the old chairman was retiring, he said to Louis Benoist, "Look, I have the privilege as chairman of selling all of this operation for book value" --which was nil , it was just a very small cost--"and you better buy it now if you want it, before I leave, who knows what the new people will want or want to do with it." So Louis says, "Fine." And in '55 and '56 he leased the property; then in 1963 he bought it away from Hiram Walker. So that's how he continued to operate the place.

Teiser: Did you think that was good land?

Dieppe: Yes. After I took over, there were a lot of properties [in San Benito County] that we'd gotten, from old Bob Law particularly, that Louis had made arrangements with that were not good--in fact, they lay fallow--and some of it that we were farming we were getting very poor crops, like half to three-quarters of a ton per acre. So I negotiated out of that property with Law, and same with some of the others, and then I started to buy other contiguous pieces in the area that I thought were outstandingly good.

Teiser: It seems to me Peter Mirassou once told me that he had worked at planting some of your vineyards there.

Dieppe: That's right. The father, Ed [Mirassou] started in '56, when we first started to plant. Then Peter came in afterwards when I had bought a few pieces of property down there. One property was eighty-seven acres. So we had Peter on that. But Ed did the first consulting work.

Teiser: He supervised your planting?

---

*Edwin Valliant had sold his winery and vineyards to a subsidiary of Hiram Walker Inc., in 1943.

Dieppe: Yes, ma'm. As a matter of fact, with the help of Dr. Winkler and Dr. [Harold P.] Olmo, who recommended certain varieties. Ed did really the work of telling our people how to do it.

Teiser: I think Peter said that he got his first good experience as a vineyard planter there.

Dieppe: Yes, that's right. There and over in Monterey County.

Teiser: Later.

Dieppe: Yes.

## Adding Vineyards in Monterey County

Teiser: Well, that put you, then, in possession of a lot of acreage. I suppose, as you'd been expanding, you'd been buying more and more.

Dieppe: Yes. After I took over as president in 1969 I saw many opportunities for properties that we needed. End of '69, there was one piece of property down in King City, [Monterey County] on a plateau that I thought was excellent property, and it was for sale for just under a million dollars, $990,000. So when the chairman of the board in New York* was out here, old man [John E.] Bierwirth, I said to him that I'd like to buy that property, and he said, "Fine, Bill." We all went over, and he went with me to visit this realtor who was in charge of the property, and they hadn't been able to sell the property because nobody particularly in the area wanted to have any more property for agriculture, for row crops, at that time. And of course nobody thought about the vineyards opportunity, all row crop.

So old Bierwirth, he was a former banker, head of the New York Trust Company, he started to negotiate with this realtor, and he said, "Well, come on now, let's be realistic. How much money can we really get this thing down to?" "Well, I don't know really what the people need for it." So finally after much negotiating, (and old Mr. Bierwirth was a master at that) we came to this $990,000 figure. So I got it planted in the different varieties that I wanted to, and it's been an excellent vineyard.

---

*Of National Distillers and Chemical Corporation, which bought all of the stock of Almadén in 1967. See pages 44-46.

Dieppe: Then, across the road, down a little bit further, in San Lucas, there was a large piece of property of 2,500 acres that was for lease. And a large piece of that I wanted because we needed more grapes, actually as a protection for ourselves, for varietals. So we planted that.*

So I increased the property considerably after I'd taken over, basically because I also knew that we had to have a continuous supply to ourselves because the wine boom had come so fast. Even though there were other people growing all the time--in fact they grew too much, as you know, too many grapes--I wanted to be sure that as a corporation we had the ability to stay in the marketplace and grow equal to our sales volume, because our sales were just booming, as you can tell from the figures.

---

*For additional material on Monterey County Vineyards, see pp. 66-69.

## V ALMADÉN UNDER NATIONAL DISTILLERS, SINCE 1967

### Sale to National Distillers & Chemical Company

Teiser: We should perhaps go back to the change in ownership of Almadén.

Dieppe: 1967?

Teiser: Yes.

Dieppe: I think it pays to just give you a brief background on why was Almadén sold. Benoist was, by now, completely taken with the lifestyle of being a winery owner. And of course business had grown so in California, and everybody was enamored of anybody who was a big vineyard owner and obviously such gracious hosts as Louis and Kay Benoist. He just lavished everything on this operation. But unfortunately, with the new economics and tremendous monies available in business, there no longer was so much need for the large warehouse company and its type of business.

Teiser: If you needed money to finance your next year, where did you go?

Dieppe: You went to the banks, and they didn't demand any securities. Sure, you had to show properties at so forth and so on, but banks, unfortunately, overlent without sufficient security.

Now, don't forget, there were two types of lenders. Banks were the least of it all, although B of A [Bank of America] was probably in the forefront, Crocker, and Wells Fargo were the biggest lenders to agricultural entities. But then along came the big insurance companies like Metropolitan, and the one that really just went crazy in lending monies, Prudential, wound up owning most of the properties.

Teiser: In Monterey County?

Dieppe: No, basically in the Central Valley mostly.

Dieppe: Look what's happened to people like Sonoma Vineyards. Over-extended, and the banks took a beating at it and still are taking a beating at it. Banks still have money owed to them from a lot of these new start-up wineries.

Teiser: Was there a factor of tax shelters?

Dieppe: Well, no. There was a lot of tax sheltering, yes—

Teiser: But that doesn't fit in with this?

Dieppe: It doesn't fit in with this thing at all because, frankly, the major part of Louis Benoist's problem was that he lost his cash flow coming out of Lawrence Warehouse Company. Not anticipating that, he had put out all his cash, and borrowed up to the hilt against corporate assets to get this money.

So he ran short of cash, and he could no longer have any borrowing power from the banks or anybody. Even in '65 people started coming in to say, "Well, let's buy the place." People like Ernie Gallo, who was a regular visitor at Drumm Street [Almadén headquarters in San Francisco], coming up and saying he'd like to buy the place. Of course he never offered us enough money!

And then things got very difficult, and I had the task of trying to meet payroll by shipping out goods and factoring them through Heller in Chicago, and it became more difficult all the time to pay the bills. And, you know, there're no secrets, and so pretty soon everybody in the world knew here was this huge company with huge sales but not any cash in the bank for operating capital.

Then along came Jock Whitney from the East, at the end of '66, and he seemed like he was going to be in the forefront of buying Almadén. Well, fortunately for Louis, and fortunately for everybody else, right at that time National Distillers Products Company, the liquor company of National Distillers and Chemical Company [became interested.] The general manager-operator of the liquor company was a fellow by the name of Ray Herrmann, Jr., who is today the president of McKesson Liquor Company. California brandy was becoming a factor. Seagrams was doing a marvelous business with Christian Brothers. So National was looking for a brandy. So because of Almaden's having an excellent brandy, but a very poor distribution and sale of it, Ray Herrmann came out here to negotiate to buy our inventories of brandy and the name.

Teiser: Where was the brandy being made?

Dieppe: In large part at Paicines. We had a still down there, and we made beautiful, beautiful brandy, and it was all four-year-old brandy.

Dieppe: So he came out here to negotiate to buy the brandy and eventually got Benoist to agree that he would sell the brandy inventory.

Well, Mr. Bierwirth, who was the chairman of the board of National, came out here to conclude the purchase of it. At luncheon at the PU [Pacific Union] Club he said to Louis Benoist, "Well now, how do you want this thing paid, on the stagger system? Obviously you don't want all the money at one time because you pay too much taxes on it. How do you want it paid?" And Louis Benoist says, "I'd like to have it all in cash." And Jack Bierwirth said, "Why, Louis, you don't want that. That's kind of ridiculous. It'll cost you too much tax money. Or if I'm reading it correctly, are you pressed for money?" And Louis Benoist, being a straight-out guy, says, "Yes, I am pressed for money. I need cash very badly." So Bierwirth said, "Well, maybe you'd be interested in us joining you in a partnership on this thing. We'll take over the brandy completely and invest on a joint venture with you on the winery and everything else." And I think because Louis owed so much money all the way around and was sort of not in the best feelings about a merger, he said that he'd like to sell and have the opportunity to sell the whole thing to Jock Whitney.

So Bierwirth said, "Well, how much money are you being offered?" Benoist told him. And he says, "Well, let me have some of my men come out here from my financial department and we'll take a look and see what you've got here," which they did. The New York financial people came out here and put numbers together down on paper, and went back to Mr. Bierwirth with it, and Mr. Bierwirth came back here and said to Louis, "Well, I have an offer for you," which was greatly in excess of what Jock Whitney had offered. And so they made a deal, and that deal was concluded and made on 15 June 1967.

So when they took over the thing, they had said that they had no desire to be involved in the operation of the company; they wanted to be bankers only.

Teiser: Isn't that what national companies always say?

Dieppe: Yes. [laughing] That's a fact. But I have to tell you the wonderful part of the story. They made H. Peter Jurgens the president of the company, Louis Benoist being out, and I shortly thereafter became vice president in charge of all sales.

William A. Dieppe Becomes President, 1969

Dieppe: Mr. Jurgens retired in July 1969 and I was named president.

Now, let me tell you very honestly, contrary to what you were just saying--Mr. Bierwirth was quite elderly--as a matter of fact, he was eighty-three when he died--he stepped down from the chairmanship of National Distillers in '76 when I became chairman,* at the same time. Under Mr. Bierwirth they never, and I say never, interferred with me one minute in the operation and management of this company. That's what gave us the ability to grow and do what we wanted to. What I wanted to do, Mr. Bierwirth said, "That's it. You see you do it. Don't hesitate to put in a budget for any monies you need to supply this business."

I had said to him the day that I took over the company, "You tell me what you want. Do you want the cash back or do you want me to grow you a business?" He says, "You grow me a business. I don't need the cash." And that's the way it got. And so we built this huge company.

Teiser: Did Mr. Jurgens, then, become the chairman of the board?

Dieppe: Oh no, he retired.

Teiser: The purchase by National Distillers was--

Dieppe: In June 1967.

Teiser: So two years after the purchase you became president.

Dieppe: Yes.

Teiser: And I suppose Mr. Bierwirth was responsible for the choice of you as president?

Dieppe: Yes, he and all of the other officials back East were of the same mind.

Teiser: You had, I suppose, made a good record in sales. You're nodding your head. I'm sure you had.

Dieppe: As well as being able to pretty well do the maximum of helping the general operation.

---

*Of the board of Almadén.

Teiser: By then you had come into management?

Dieppe: Yes.

##

Teiser: You were saying that Mr. Bierwirth was absolutely marvelous.

Dieppe: Gave me a total free hand without interference. In the board meetings when he would come out here as the chairman of all the companies before 1976, he gave me complete authority to do everything and anything I wanted. Obviously, within reason. But he had such confidence in me, in my management ability and business abilities, that it was just not a matter of creating the sales but creating the profitability of the company, because the profits surely grew.

Teiser: Did he have any specific knowledge of the wine business.

Dieppe: Not at all.

Teiser: He saw it as a business?

Dieppe: Yes, ma'm. And quite peculiarly, for a nondrinking man--he never drank any alcohol--but for a man who never drank any alcohol he was in love with it, with this wine business. He loved the romance of the wine business. He loved to go with me to lectures and to security analysts meetings and to places like that, and hear the talking and the romance. That's why, in stockholders' meetings, he'd always say, "And now here comes the man of the fun and games, the beautiful part of our corporation." What else can you say about glass? What can you say about textiles? What can you say about chemicals? What can you say about insurance? "There's no romance to them," as he would say. The true romance of the corporation was here at Almadén. And of course we were returning a good amount of profits to the corporation.

Teiser: In 1972 you became, then, is it vice president of National Distillers?

Dieppe: Right. Of the parent corporation.*

---

*For an account of the company's expansion under National Distillers' ownership, see pages 65-69.

## Labels, Jugs, and Ponies##

[Interview 3: November 21, 1984]

Teiser: Could we discuss the packaging and the labeling? I remember, and you perhaps do too, that at one point Schoonmaker got Robert Grabhorn to design a label using those Fabrés drawings. Do you still use them?

Dieppe: Not very much any more. Due to the change of the management of the company in the last couple of years, they have gone into a program of changing labels, considerably, drastically.

Teiser: Let's go back to the earlier innovations, then, in labeling and packaging and bottling.

Dieppe: I think probably the thing to do is to go back, then, prior to National's take-over. In pre-Prohibition days wine used to be sold in large quantities, even in large casks. So I was always of the belief that people, as they became accustomed to drinking wine more freely, would probably want to buy it in larger containers than the fifth container, which was traditional in the country. This was basically for homes. So we had been selling half gallons and gallons of our mountain wines in the few years before National bought the company.

As a matter of fact, they were always in what was termed the old vinegar bottle, if you'll recall that, with a metal screw cap and a small plastic insert. Then we decided to go into a private-mold bottle, half-gallon bottle and gallon bottle. They were unique to us. As a matter of fact, the gallon jug was designed after the famous old art pieces of Omar Khayyam, the "loaf of bread, a jug of wine, and thou." The gallon jug was modeled after the earthenware container that was always depicted in those beautiful old art pieces of Omar Khayyam, sort of a teardrop glass container.

The half-gallon jugs were delightful, with a glass handle and so forth, and we sealed them with a cork, although they had a bulb top to the cork so you didn't have to use a corkscrew. The wine was protected by a full cork. And they just took off like crazy.

Teiser: That's traditionally a brandy cork, is it?

Dieppe: Well, similar to it except that the brandy corks had a flat head, whereas our corks had a bulb head to them. It made it much easier for people, and by now, of course, the lady of the house was becoming very, very predominant in the purchase of wines and the usage of wines. We knew that it was easier for her to turn it and pull it out if it had a bulb-top cork like that.

Teiser: Is that the first bulb-top?

Dieppe: Well, no, as a matter of fact it was more or less of a take-off on what Harvey's used in their sherry bottles. As a matter of fact, there was a contest at one time, because we were closing our sherry bottles with that same type of thing and our labels very much resembled the cut of the label of Harvey's, and they had put in an objection to it. Of course afterwards it was proven that they had no copyright to it, so everything was dropped. But that was the type of cork that we closed our sherry bottles with, so we used that for the half-gallons and gallons of table wines and still do, as a matter of fact

Teiser: It's easier to reclose.

Dieppe: Sure, just put it right back in again, no problem, and never have to use a corkscrew. This came out in 1966, and the trade, obviously, loved it because it now became something of an aesthetic beauty.

Teiser: What wines did you put in those containers?

Dieppe: Well, we put just about everything in the mountain series into them. And the business just boomed. I'll never forget that in that famous northern New York rock concert, Woodstock, they said that the hills were covered with these empty Almadén half-gallon jugs, and they showed pictures of it, even on the television and everything. I'll tell you, it was something else to behold because we were littered all over the place. But that's about how popular they became. They were just everywhere.

Teiser: Then, at the other end of the scale, you had those little "ponies."

Dieppe: Yes, the ponies. Of course, now, that was not our innovation, but we had started it up again under Goulet. This was started, actually, by Lucky Lager, by Ed Muzzey, at the Madrone Vineyards down in Morgan Hill, and they were first called the Madrone pony. They were private molds, and in the back where the mold was it showed "Madrone pony" and on the label it was "Madrone pony." So when we went into the actual selling of our products ourselves, we changed it to "Almadén ponies," and of course they've been successful ever since. They're still to this day very used on airlines, particularly.

Teiser: Well, you were ready for the airlines.

Dieppe: Oh yes, very much so. I was a great believer in the fact that this gave us a tremendous amount of exposure to the consumer.

I had two thoughts in my early days here. One was to pursue the military. I always felt that they were a captive audience in the military, and what they were accustomed to drinking on the military base and in the military package they would probably continue with that after they got out of the service. As a matter of fact,

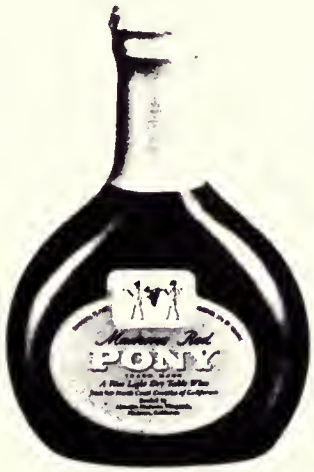
**A FRANK SCHOONMAKER SELECTION**

# MADRONE PONY

AFTER A YEAR OF CAREFUL PLANNING and preparation, the PONY is at last here. More than a mere innovation in bottle design, the PONY fills a definite need; it is pleasing many who have never before served wines.

The reasons are simple: (1) Convenience—The little flagons hold about 6½ ounces, enough for two generous glasses, with no waste in left-over wine *and they are opened with an ordinary bottle opener.* (2) Quality—The Ponies are filled with Good Wine, *equal in every way to the other Frank Schoonmaker Selections at comparable prices.*

There are four Ponies: THE RED PONY (Claret), THE WHITE PONY (Chablis), THE GOLDEN PONY (Sweet White) and THE PINK PONY (*Vin Rosé*). They are priced at 35c a PONY in stores, 50c in restaurants, in most States.




Litho in U. S. A.

*Frank Schoonmaker*

*Selections*



Two pages of booklet, "Frank Schoonmaker Selections," © Almaden-Madrone Vineyards. Illustrations by Oscar Fabrés.

Dieppe: it just so happened that that was true; it did happen. So we pursued the military very, very much for quite some time. Before I came up and became head of the sales department, I personally used to call on a lot of the military, and then afterwards appointed a regular military salesperson. We still have him, still doing the same chore.

Teiser: Was this little bottle popular with the military?

Dieppe: No, not the little bottle because they prefer the big ones. As a matter of fact, the bigger the better.

Teiser: Does the little bottle go into retail channels?

Dieppe: It does now. It has for the last sixteen years.

Teiser: Do restaurants use it? Is that a good size for a restaurant?

Dieppe: Yes. Oh yes, especially these restaurants that are small, inexpensive, and without a liquor license, and they'll have them for one person because they're six-and-two-thirds-ounce bottles.

The airlines, for the economy section, tourist section or coach section, whatever you want to call it, have always carried that small bottle. Many, many times the people just put them into their purse or put them in their briefcase and take them home with them. It became a tremendously good vehicle. They serve from fifth bottles in first class, but the small bottles have always been extremely popular.

Teiser: What did you put in them originally?

Dieppe: We put in only two wines for most of the time, a burgundy and a chablis. But in later years the airlines have asked us now for other wines, Zinfandel and Rhine, as the taste might be. Rosé too. As a matter of fact, in the old days under Madrone they even had a sweet Semillon, which was called the "golden pony." There was the red pony, the white pony, the pink pony, and the golden pony, four of them.

Teiser: The labels that went on those, as I remember, were quite distinctive.

Dieppe: Yes, they sure were.

Teiser: Who developed them?

Dieppe: Ed Muzzey.

Teiser: Did the same label carry over, then?

Dieppe: With certain refinements only.

Teiser: They're the ones that you have used ever since?

Dieppe: Yes. As I say, all we did was to make certain refinements to it because they were rather basic in the early days of Ed Muzzey. But as we found this outlet for both restaurants, and the fact that many times you would find them in dump bins in grocery stores and dump bins in package stores*, we felt that they needed a bit of refinement, upgrading the label, so that's actually what we did. I sold out the last of the golden ponies in '51. They were sweet, like a sweet sauterne, and we never did go back to them. In fact we've never had even a request by anybody to go back to them.

So today it's red, white, and rosé, and if somebody wants a wine like Zinfandel or something like that, we put it in.

I'll never forget: we had problems at Charles De Gaulle Airport in Paris. It was the only place we ever had any problems in Europe. At Charles De Gaulle Airport we had to have this special permit to transfer from a TWA coming in to a TWA going out. It would be put under bond and lock and key and a seal when it arrived at the other end, like all the other spirits and everything was. They used to have to have a special customs man come aboard and open the seal and allow the transfer of the wine because they said, "We're not going to let it come ashore here." In fact I'd have them put things on board the plane myself if I flew commercial, and they'd always put champagne and a couple of our top quality wines on, so what wasn't consumed on board the plane I'd always tell the stewardesses to take it home with them or take it ashore with them, and they'd have a devil of a time with the customs people because the French were very jealous of having any California wine come in there for a long time, until we started to sell it in France.

Teiser: Did you have any other packaging advances?

Dieppe: Actually, packaging-wise, no, because except with the large sizes, we've always stayed with the traditional bottles, like just about everybody in the industry. Except in the last ten or twelve years, the hock bottle has been lowered [in height] because so many retailers would not have shelf space. Now they can keep them in configuration. The shoulder is higher but the neck shorter, so that the bottle is not as tall as the original hocks are. Large numbers of wineries have agreed together to have Owens-Illinois

---

*With wines of lesser quality.

Dieppe: make this new bottle for us so that none of us had to have any great expense for the new molds. Glass molds are a very expensive thing. Other than that there has not been really any drastic change in the packaging. We've never gone to any of these, to me, non-traditional and sometimes ridiculous types of bottles.

Bag-in-Box Containers

Teiser: Do you do any packaging in bags-in-boxes now?

Dieppe: Yes, we do. We do now, yes. The so-called bag-in-the-box or the pouch container. We do that.

Teiser: When did you begin?

Dieppe: I think some time '79 or '80 we started to produce the large one, the mega-cask, for institutional use only. When I say institutional use now I mean hotels, restaurants, cafés, caterers, hospitals, et al., but not to the retailer to be sold to the consumer directly. I resisted that because I never felt that the aesthetics of it was anything to be proud of. But the pressures came along that people wanted it. So now we produce what is called a mini-cask, which is four liters, and we produce it in larger sizes up to the eighteen-liter size.

Teiser: Is that the mega-cask?

Dieppe: The mega-cask is the eighteen-liter-cask size.

Teiser: The wine loses its identity for the consumer doesn't it, when it's served from a bag-in-box?

Dieppe: Well, it has its identity, but to me still I'd rather have it in the back. Now, if you want a glass of wine at Trader Vic's, they'll serve it to you; they serve Almadén, but they have it in the back, in the service bar, and you don't see it. If you ask what it is, "It's Almadén wine."

Again--which shows how sometimes slowly we all work in our thinking about what the consumer will think about it--I'm sure that most producers, like myself, are more fearful of what the consumer will think than actually is true. No consumer that I know of has yet really sent in a strong complaint about, "How dare you do this?"

As you know, that bag-in-a-box started in Australia, by a company named Scholle, who made the first bags and the first container packaging. Before we always sold restaurants and institutions the large gallons. Well, they were heavy and they were difficult to pour out of.

Dieppe: The first innovation for large quantities that came in restaurants was what was called originally the milk containers. They were stainless steel. Three containers. Two of them chilled for white and for rosé, and the red wine not chilled. And then there would be a facade front looking like a barrel. They would have spigots, and they would draw out of that. But they were expensive, and only the very largest, outstanding restaurants could afford them, but they wanted them, and nobody ever knew the difference.

Teiser: Didn't the wine oxidize?

Dieppe: Oh no, because they always served them so fast that there was never any problem with that. But that was an expensive thing and it took up a lot of space.

So this bag-in-the-box came along, and there was no opportunity for oxidation in that. As a matter of fact, the Scholle people told me this directly, that they modeled it after the baby milk bottle; as the milk was drawn out of it, the bag collapsed and prevented any air from getting to the milk. And the same thing happens with the wine. So till the end of the usage, there's absolutely no contamination of oxidation at all.

But again, as I say, I was most cautious about putting them on the market. But competition had gotten into it and a couple of the large competitors were selling them in these four-liter boxes to the consumer. So our men said, "You've got to allow us to do it." I said, "I'll give it a shot, I'll let you do it, but I don't like it." But it's there. The same thing--eventually we will be selling it in plastic-material bottles; there's no question about it. Liquor is in them now, and they will find the right material one of these days to put wine into them.

## Cans and other Experimental Packages

Teiser: How about cans? Have you avoided them?

Dieppe: Well, let me tell you something. Probably the only mistake in judgment that I know Frank Schoonmaker to ever make, other than being a bad businessman, was he brought the first imported wine into this country in cans, a Beaujolais. At that time Mama Goldstein in New York had had wine in cans, white Catawba and pink Catawba. It went along a little bit, but it was no great sales vehicle, but Frank thought it might work. So he brought these small cans in from Europe, and of course it laid a horrible egg. Nobody could believe such a thing, and so it died. That was one of the few times that

Dieppe: I've ever known him to go against good taste, as we saw it or as we thought it should be, and try to present to the consumer something he didn't want.

Today, yes, there're a number of people going into cans, and a lot of them are going out of cans again; going into it and stubbing their toe and going out of it. I think that packaging other than in glass will continue to the the bag-in-the-box or plastic containers, which will be much lighter and easier to handle.

Teiser: You see plastic containers in France.

Dieppe: Yes. Oh, and in England.

Now an Italian operation now sells tomato material over here in a carton that's sold vastly in Italy. In fact, the biggest milk business in Italy is in it--

Teiser: Tetra-Pak?

Dieppe: Tetra-Pak, yes. And they sell now a tomato [product] over here made by Parmalat in Parma. They came over here, and through their attorneys and marketing people in New York they wanted to know what was the possibility of selling the carton in this country for wine. So I was hired as a consultant to go to Washington and discuss it with them. I said, "Well, they're selling in Europe, and I think that it would have a good chance here, but first I would like to see the stability of it."

They were going to put cheeses in it, but they showed me the tomato in it, and I said, "Well, it has too much flexibility and it is limited in size, and, frankly, it would have to be made much stronger to handle, number one, and, number two, in larger sizes, because the containers and the operation of filling them in this country would be more costly than people would pay for."

I said, "The first thing you would have to do is go to the FDA and get approval to put wine into it before you get it licensed by the Alcohol and Tobacco tax unit."

So they took it to the FDA, and the FDA did not particularly approve of the packaging at that time. They said that they didn't disapprove totally about the concept of it, but they felt also it would need some refinements. So obviously there's no sense in going to the ATF to get a permit to sell it if the FDA wouldn't approve it.

But that shows you where the whole world of marketing has gone to try to make things out of less expensive materials and more convenience to the consumer. Food products of all kinds are put

Dieppe: into plastics, et al., and the concept of this Tetra-Pak is possible for other liquids and wine, providing it could be economically constructed and packaged.

The Cost of Expansion

Teiser: We've talked about changes brought about by the sale to National Distillers. You said that you were given a free hand.

Dieppe: Yes, indeed.

Teiser: Were there advantages?

Dieppe: Of National Distillers? Oh gosh, yes. Of course the first obvious advantage, tremendous advantage to us was to have this wealth of capital to put into the business to give us the opportunity to go bigger in business.

No, as you know, making of the wine is not the major cost; the cost of money is the major cost of the business. We have two major problems: inventory is number one, and accounts receivable, number two. As to the financing, the more business that you do, the more money you have owed you, the more your money cost is. As money costs went up, we could never have stood those costs to enlarge our business. But with National's monies we were not limited.

Teiser: Do you think that was one of the reasons that Mr. Benoist thought it was a good idea to sell?

Dieppe: No. It was just his inability to any longer carry the business. Because, as I say, Lawrence Warehouse was no longer making any money, and the amount of monies that this thing was costing as it grew was coming from some place, and it had to come out of more than the profits of Almadén. If we had stayed as we were, we were profitable, but Louis wanted us to grow, and we did grow, and the style of the entertaining and everything was getting more costly, so it was just a case of short money. That's why Louis had to sell. There was no longer an ability to stay even at the size that we were then. He had no more money, and he couldn't generate any more.

Teiser: So National Distillers was willing to furnish you with enough capital to expand?

Dieppe: Oh indeed, yes. As I say, right from day one they said, "All right, now, what do you need?" and looked at it.

Teiser: What did you need money for then?

Dieppe: Well, initially the first thing we needed money for, although we didn't take over any of the debts of the old company--National Distillers did not buy the stock of the company, National Distillers bought only the assets.

Teiser: Where did the debts go?

Dieppe: The old debts stayed on the old company, which had to pay off. Some of them were liquidated at ten cents on the dollar. The few stockholders, like myself and others, we were paid off in cash out of the payment of monies by National to the old California Almadén. National Distillers itself is a Virginia corporation, but they made Almadén immediately a Delaware corporation, which it still is.

See, we're a separate corporation within National. Although we are toally owned by National now again*, we are still a Delaware corporation rather than being a Virginia corporation.

Teiser: Are you what's known as a wholly owned subsidiary?

Dieppe: Exactly.

Teiser: What was your first capital need?

Dieppe: Well, the very first need, obviously, was that we wanted to be able to go to market full blast, and to do that we had to have inventory. That cost money. We had to have accounts receivable. That cost money. Two very important things people forget.

##

Dieppe: Let's say you buy a winery complete. I know it costs me so much money, and even if I don't have all the cash, if I've leveraged x amount of it, I have a debt service to pay, right? That's number one. That has to be paid out of income, out of revenues. So then the product must cost you x amount, and you know how much that costs, payroll, etcetera. You know what all those things cost. And you even know how much you're going to expend on advertising if you're going to do advertising.

---

*National Distillers bought 100 per cent of the stock in 1967, sold some of that to the public in 1972, and re-purchased all outstanding shares in 1977. See pages 72-73.

Dieppe: But the one thing that so many people forget is that you have a cost of carrying inventories, because you don't make it and sell it today. You have to take it and age it, and you have to have facilities for aging, and that's tying up capital. That capital costs money. You have to pay against that capital.

The same thing with accounts receivable. The larger your sales, the more investment you have in the cost of carrying accounts receivable.

Teiser: What's the time span for wineries' accounts receivable?

Dieppe: It's all in what we call the leverage of how fast and how popular is your product. I've seen distributors take 90 days, 120 days, sometimes as long as 180 days, and keep rolling over, but you still have x amount of monies out. On the very, very most perfect pay-as-you-go, 45 days is the shortest period of time you can expect to get your money.

So this costs money, and as you know, right from that very time, the cost of money was always going up, going up, going up. Look at what it cost small people, as much as 22, 23, 24 per cent, interest. On money. Now, obviously a corporation like National, their borrowing power, and their cash in hand (which is equal to borrowing) was such that they had the ability to cost-out money at 12 per cent, 11 per cent, 10 per cent, even less than that. In the very earliest days it was down as low as 8-1/2 per cent.

So that National's willingness to allow us to have the capital that we need to operate was the most important factor. We had to go to market, we had to sell our goods, we had to buy-in large quantities of wine because now we were getting into the point of where we were buying as much as 65 per cent grapes or bulk wine outside of our company, and then it got as far as 85 per cent.

Teiser: So you needed money to purchase it and you needed money to hold it?

Dieppe: Oh surely, yes. And with white wines, even though you say, "Well, you can start shipping white wines like June after the harvest," there you are with eight or nine months of inventory sitting that costs money. Red wines more.

Teiser: How about space for inventory, where you store it?

Dieppe: That's just what I'm saying. You had to have tankage, you had to have structural facilities, and so forth. That was why, really, the expansion of our winemaking abilities started to create the need for much capital. Those huge cold-stabilization tanks that you see out there cost a tremendous amount of money. We had to have them to process the wines, because no longer was anybody using the sodium or ion exchange of potassium. So you had to have those. You had to have wood tanks for aging. If you didn't have structures you had to have at least shed-overs.

So that's why the purchase of Kingsburg, which was, as you probably remember, the original old Louis M. Martini winery, and then Roma and Cresta Blanca had it. When we took it over it had six million gallons of wood containers. They also had a still there, but we tore down the still because it wasn't worth putting back together again. But we purchased that purely as a holding and aging facility. We had to re-do a large amount of the wood tanks, but we maintained always about five, five-and-a-half million gallons of wine in the Kingsburg winery.

And of course afterwards, in '78, as you know, we bought the McFarland winery, and we increased the size and capabilities of that winery tremendously. But to this very day we contract to buy wine from people like Sierra and others, the Delicatos and so forth, and we pay them so much a month per gallon to even hold it on their facilities until we can draw it out. And of course we have to have it all drawn out by August 1 so that they're ready for their new crop to put in there. So this is one of the major problems in the whole industry. Especially as the wine came in greater quantities than was being sold, space availability was getting very, very crucial.

So, as you can see, the cost of doing a large business is the cost of putting new capital facilities into support for that kind of volume. And it had to come out of some place. It immediately couldn't come out of all the profits. This is where National's ability to loan us the money came in. We borrow money from National; we are not given money. We, being a separate corporation, had to borrow the money, we had to pay the interest, and we had to give the money back.

And it still is operated, as far as National's concerned, the same way. Even though they own everything, they loan us the money, and we have to pay it back with interest. Of course they don't pressure us too hard, I'll admit that.

## A Wide Variety of Wines

Teiser: One of the things that you were doing before, and surely have continued since, is making and selling a very wide variety of wines. Is there anyone who has as large a span?

Dieppe: No, there isn't. I mean even in the much smaller companies--Sebastiani tried to get into a large variety but the cost of doing it was too great and they have cut back considerably from it.

If you say, "Why did you go into such a large range?" Well, I've always felt that, although you can't be all things to all people, within the ability that you have to produce product, like a General Motors, you have to have the ability to offer to people a different product or a different named product that is equal to their taste or their desires. Like a General Motors would have everything, say, from a lower Chevrolet and on up to Cadillacs, et al., and Ford with its small Fords and then on grading up and through Mercury and on into the Lincoln class, with all of its different brackets.

And the same thing with a lot of food products. Even though there was a slight variance in the palate of any given wine, somebody might not want this particular wine, for whatever reason. We found for instance, at an early date, although we had Traminer planted in Paicines, that Traminer was not a wine that people wanted.

Teiser: Traminer, not Gewürztraminer?

Dieppe: No. Just plain Traminer. We were marketing plain Traminer. As a matter of fact there was only one place in the United States that Traminer seemed to still stay, and that was in Virginia. So we finally said, "Well, the devil with it. We will take the Traminer that we had planted down there and we will add it into the Mountain Rhine. We own it, we've got to do something with it, and we can't sell it under the word Traminer." So then slowly, as we were planting more vineyards and replanting vineyards, we planted Gewürztraminer. No, it took quite a while for Guwürztraminer to catch hold because of the name. It was a little bit difficult to pronounce. In fact, dear Mr. Bev [Beverly C.] Ohlandt always said "Gewürzenheimer." [interviewer laughs] And I've heard it called everything. It's been just as abused a name as my own personal name.

So we felt that if you don't like this, you'd like that. I know people who like black chocolate, I know people who like medium chocolate, and light chocolate, and bitter chocolate, and sweet chocolate, and all kinds of chocolate. Although I never wanted to get down into the lower class of wine production, I recognized that two things was important, and I know that you're going to say, "Yes, indeed, I found the same thing myself," that the more brands that you have the larger expanse of exposure you have to the consumer to buy it. The more wine you can get out in the marketplace, the more the

Dieppe: distributor has to carry, and the more the retailer carries. And restaurateurs are given to just take a fancy to one name, and they buy it and they sell it. It's an amazing thing.

Now, in these latter years the so-called most popular (only because writers, et al., touted it so highly and have written so much about it) is Cabernet Sauvignon. We came to a point of where almost nothing was equal to Cabernet Sauvignon in a red wine. I can remember when you couldn't sell Cabernet Sauvignon. Pinot Noir was the wine. People wanted burgundy; claret I don't want. Cabernet Sauvignon today is the hallmark of quality in red wines. They say California can't produce good Pinot Noir. Well, that's ridiculous. Ollie Goulet made a fabulous one, and there's a few very fine ones in California.

And what have we got now? Chardonnay is the white wine. They dropped the word Pinot numbers of years back. And Chardonnay, today it's king in volume. It was the queen of the wine lines before and Cabernet Sauvignon was the king of them. You can remember, just a few years ago, when Cabernet Sauvignon grape was costing $12-, $1300 a ton, and Chardonnay was costing up to $800 a ton. Today it's just reversed: Chardonnay is the most difficult grape and the most expensive grape to buy, and Cabernet Sauvignon is the lesser, as we have more and more of this white-wine drinking. Wines that were traditionally very popular in the earlier days, like Pinot Blanc and Folle Blanche, are no longer. In fact we use all of our Pinot Blanc to make our "Maison Blanc" in the Charles Lefranc line. And the same thing with Pinot Noir, we use that in the "Maison Rouge" mostly.

Teiser: A wine I've liked.

Dieppe: Yes. We're told by restaurateurs and good retail outlets, it's the best buy in the country. And it is. Dartanians restaurant over here charges for Charles Lefranc Chardonnay and Fume Blanc fourteen dollars a bottle, and they charge $6.50-7.00 a bottle for the "Maison Blanc" and "Maison Rouge." And they carry them in the 750s and in the liter-and-a-half.

The market has always changed, and so some wines have been deleted and some wines have been added to follow the pace of the traffic. We have a profile readout on our computers of what sells in any given area. In fact as things would stop we would even transfer. I can remember when we cleaned up the eastern seaboard of Traminer and put it all down in Virginia, because that was it. And when we ran out of it and no longer packaged it, a number of the older drinkers said, "What's happened to our Traminer? We want it. We loved it." But it was a bland wine, as you probably remember, so we just stopped selling it.

Teiser: At your lowest price end, who are your competitors?

Dieppe: Oh, I would say probably now Sebastiani, Inglenook, Beaulieu has come into the market; Robert Mondavi has come into the market with wines of the same ilk.

Teiser: And at the top end--

Dieppe: We use the Charles Lefranc label, since it was the name of the founder here, as the top of the line.

Teiser: Do you try to maintain a relationship in everyone's mind between the Charles Lefranc and Almadén?

Dieppe: Never deny it. It's not on the package, but if retailers or anybody says, "This is from Almadén," there's no problem with it. It's the top of the line.

Teiser: But you don't make an attempt to keep the identity together.

Dieppe: No, we have not. I don't think it's needed. As a matter of fact, everybody knows that Lincoln's made by Ford, but they don't say "Ford Lincoln."

Teiser: You, then, have just those two labels, Almadén and Charles Lefranc?

Dieppe: No, we also have a less expensive one, the Le Domaine. When we started back in the end of '55 going into a low-priced champagne here in this area, which was Vai Brothers Champagne, we came out with champagne called Le Domaine. We own the name. So we brought that out, and it retailed at that time for exactly the same thing that the Vai Brothers were selling it for: $2.29 a bottle. I think today it's $3.95 or $3.99, something like that.

What it did, although it didn't give us any large profit, it was a vehicle for us to add into what we call the "load." Distributors could buy this, they could buy that. Then afterwards, I felt that for some lower-priced markets I didn't want to sell Almadén at lesser prices than our mountains, so we sold Le Domaine in them. Now, it was never in a varietal, always in a generic.

Teiser: But still wines too?

Dieppe: Still wines, and champagne. Le Domaine champagne is a very large seller today, very large. In fact many, many people have talked about it as being their favorite. And writers have even said this is extremely good. It is bottle-fermented, not tank-made.

Teiser: Transfer?

Dieppe: It's transfer. But it's not tank-made, it's bottle-fermented. So it's a very large seller today. But basically our two labels are Almadén and Charles Lefranc.

Teiser: Your Almadén champagnes, then, come in several styles.

Dieppe: Yes. We have Almadén Blanc de Blancs, which has been served at most of the big functions, Presidential inaugural balls, which is very highly regarded. We have a "Nature Champagne." Then, we have Almadén in brut and extra dry and in pink and in sparkling burgundy.

Teiser: You make a sparkling burgundy?

Dieppe: Yes, ma'm.

Teiser: I haven't seen any for a long time.

Dieppe: Well, I tell you, nobody sells very much sparkling burgundy. And even pink has gone down considerably. We're almost to the point of where we want to discontinue them, but for every market they always still use some. The champagnes that sell the greatest are either nature, brut, or extra dry.

Teiser: Louis Martini told me he always drank Almadén champagne.

Dieppe: Old man Louis Martini.

Teiser: Yes.

Dieppe: You know what he bought?

Teiser: What?

Dieppe: Le Domaine. He would come down himself in those days. He'd come down to Drumm Street, and we'd always put five cases in his car. And he says, "There's no champagne this good anywhere."

Teiser: He told me that.

Dieppe: He told you that? Bless his heart.

Teiser: Well, he didn't tell me which it was, he told me it was Almadén.

Dieppe: Well, he did. He always did. Always Le Domaine. He says, "It's the best damn champagne. Forget the price. You guys lose money on it." I said, "Well, almost." [interviewer laughs] Marvelous old man. I loved him.

Teiser: You implied that you change products according to what the computer shows.

Dieppe: Exactly. Same as any reasonably good businessman does in his business. Witness the fact that soaps, cereals, cosmetics, in that line, probably change more often than anything in the world. They're coming out with something new every couple of months.

Teiser: Do you innovate? Do you say "new" such and such from—

Dieppe: We don't do that, but they'll say, "the new Duz does everything because now it has this added to it."

Teiser: Well, what do you do in wine?

Dieppe: We don't. [laughter] Probably the only reason that nobody does is that it would be logistically impossible because retailers don't like to have the old on the shelf if you come out with a new. Now, I know in soaps that pretty well they'll take from an area and take all the old off the market and sell it to some outlet that'll discount it real fast and get rid of it. But logistically, around the country, because of our taxes and our restrictions, it's just impossible logistically to do it.

Teiser: Did you go into low-alcohol light wine?

Dieppe: Yes. Sure we did.

Teiser: What happened?

Dieppe: Well, we still have it. Let me say this. We came out with it and we put it on the market in large quantities and it went very well for a short period of time, then it slowed down, and now it's come back again more strongly. I think what you have to do is to realize that this happened with light beer, lighter alcohol, lighter substance. Look at what's happened already with non-alcoholic wine, the St. Regis from Paul Masson; it's highly touted. One thing is the reduction of alcohol of all kinds, and drinking and driving and so forth. And there's a resurgence of interest in the making of low-alcohol wine. Now, our low-alcohol light wine was the lowest. Taylor made theirs at 7.9, we made ours at 7.1. Paul Masson came in at 7.4. We were the lowest in the business.

Sebastiani, of course, has gone out of it because they couldn't afford the luxury of it, especially when it started to slow down shortly after its success.

Teiser: That was when Sam Sebastiani said it wasn't a viable product.

Dieppe: Well, that's what he said. But he couldn't afford it. Now we, because of our size and volumes, we could afford the luxury of standing by and letting it float—but now it's starting to have a resurgence again. And we make that in red, white, and pink wine, rose.

Teiser: What method do you use for making it?

Dieppe: We take the original wine of 12 or 12-1/2 per cent wine, and then we reduce the alcohol by centrifuge and add back fresh juice. We don't burn it like they do with making non-alcoholic wine.

## Making Almadén Grow

Teiser: Let us go back again. You became president of Almadén in 1969 and had much experience in the management by then, you said.

Dieppe: Yes.

Teiser: Then what? Was there any abrupt change then in your activities or the winery's activities, or did you just ease in?

Dieppe: In '69?

Teiser: Yes.

Dieppe: Oh no. In '69 I just, if I may say it this way, now I had the bit in my teeth and I was responsible for everything, and I guess I sort of steamed up the sales force and the distributors, and we went out and beat the bushes to cover every single inch of the country that we could possibly cover, and did a great deal more advertising. Whereas originally, we were only in magazines, I increased the amount of advertising budget in magazines, put advertising on radio, then shortly after that into television. And going from regional spot advertising even to national advertising on television.

I still believe that two vehicles are very important: fine magazine advertising supplemented with radio. That's fine with me. And if they didn't allow it on radio, I wouldn't even be hurt there. I still like good magazines as being probably the best way to depict a quality image and a quality story and a story that people will buy from.

Teiser: Do you think tastings are still important?

Dieppe: Yes. Still do and still have them.

Teiser: What else did you do, then, when you took over as president? You expanded vineyards.

Dieppe: Oh yes. I expanded the vineyards considerably. From 4,000 acres it went up to 8,000-odd acres. Then, by giving up some leased properties, we finally wound up with 6,400 acres. So it's about a 2,500 net increase from what we had when I took over.

Teiser: The decision to go into Monterey County: you had acreage in San Benito County*, why didn't you increase that instead of going into Monterey?

Dieppe: I believed in Monterey because both Olmo and Winkler also believed in Monterey.

Teiser: How did you find out that Olmo and Winkler believed in it?

Dieppe: Oh hell, if you knew Olmo and Winkler you didn't have to wonder why: they talked enough about it.

Teiser: They did?

Dieppe: Oh gosh, yes. And as you know, in the original early days, as I said before, Dr. Winkler was the one who advised Louis Benoist on going into San Benito. He originally had thought about going into the south end of Santa Clara; he never had thought about San Benito actually until Dr. Winkler talked so highly about it. And even after I had taken over, Dr. Winkler was still coming in on trips from the vineyards and running through the vineyards and checking things out and staying for a couple or three nights up at the Alta Vista guesthouse [at Paicines]. Not only had some others gone into Monterey, like Mirassou and Wente but Winkler had great thoughts about it, and so did Harold Olmo.

Teiser: Of course Olmo consulted with you then.

Dieppe: Oh yes.

##

Dieppe: He was a consultant here for us to go into Monterey County. Later when Brazil is the subject, we'll talk about his consulting there.

Teiser: Then you went into King City and San Lucas.

---

*See pages 39-42.

Dieppe: Yes.

Teiser: What do you plant there first?

Dieppe: Everything.

Teiser: Tried everything experimentally or everything--

Dieppe: No, everything in block plantings.

Teiser: Big enough to be commercial quantities, then?

Dieppe: Yes. As a matter of fact, there were very, very few types that didn't catch. There was one piece where we'd gone up the hillside with some Cabernet Sauvignon, and that is the only thing of any size that didn't really take as good as we wanted it to. So we came back down off of that perimeter and replanted another area, that was still vacant, with more Cabernet.

In San Lucas everything prospered, because that's on the west side, and it was amazing that the vines grew so strongly and prospered so well and gave us such good crop both in quantity as well as quality. We stayed to the contour of the land without even going up either the one piece of the perimeter or down through a gully which separated the properties almost in half. So we planted only the areas that were up high there on the bench and stayed with the configuration that we felt sure, after our experience at King City, would prosper.

Teiser: What was your feeling at first, and did it change, about red and white grapes in Monterey County?

Dieppe: Well, we'd already anticipated the fact that we would need more white, so the proportion of the amount was planted predominantly to whites.

Teiser: Were you disappointed in your reds?

Dieppe: After they became productive?

Teiser: Yes.

Dieppe: Well, I wasn't disappointed because we knew that everybody else had the same problem with them. The vegetal taste that was so predominant in that whole area to everybody else. We knew that it would breed out.

Teiser: Did it?

Dieppe: It has, pretty much, yes. The older it gets, the more it will breed out.

Teiser: Did you plant on resistant rootstock?

Dieppe: In some areas, yes.

Teiser: Not all?

Dieppe: No.

Teiser: But you haven't had the phylloxera.

Dieppe: Oh no.

Teiser: The Monterey County acreage has worked well?

Dieppe: Oh, marvelously well. We get excellent production out of it.

Teiser: Can you compare Monterey grapes to San Benito?

Dieppe: Well, they're different. They're quite different. For instance, some of the grapes that are so amazingly different are the ones from our El Gavilan property that's over there at Cienega. That has marvelous old vines. And even our younger vines, like our Johannisberg [Riesling] and things of that kind, they're different from down in the valley of Paicines. Why? I don't know. The difference of the elevation, the difference of exposure, the difference, in the fact that they retain more water from the hillsides. Everything, I guess, put together makes them different. They're still in the same county.

In Monterey County, with the Gavilan range on the one side and the Coastal range on the other side, the climatic conditions are vastly different, because you have the Salinas River and everything going down through there. They are different within Monterey County too. As a matter of fact, row crop producers have many times told me about the vast difference in planting of different types of vegetables on different layers. One area won't produce cabbage or cauliflower or Brussels sprouts or whatever, and another area will produce them beautifully, and this one will turn out great sugar beets, or whatever. The conditions are vastly different and the soil is quite different.

There's more clay in that basin than there is in Paicines. In Paicines we have alluvial schist residual and we have a lot of Georgian soil.

Teiser: That's interesting. Of course that's always the fascinating thing about grapes.

Dieppe: Yes. Now, the general consumer is not aware of it because he doesn't have the opportunity to compare them too much palatewise. But now, since we've gone into the new government rules on viticultural areas, appellation of origin, we will say San Benito or Monterey County, [when smaller areas are defined] and we even get down to the point of saying El Gavilan, or Paicines.

Our Pinot St. George, out of those beautiful vines over at El Gavilan, we put only into the Charles Lefranc label and it's very limited, but it's a fantastic wine, very big and very robust. And, as you know, there's very few people that have Pinot St. George. Christian Brothers was one of the first to have any of any quantity of sales, but they don't sell too much any more. But we sell out just about every vintage that we have of Pinot St. George, and it's a magnificent wine, and we have no intention of trying to grow it in Monterey nor in Paicines, just that one area.

Teiser: People must be more aware of where wines come from since they do carry these viticultural area designations.

Dieppe: Yes, the appellations now make a lot of difference to a lot of people.

Teiser: I know you carry San Benito on a lot of your Lefranc labels.

Dieppe: Yes. And we just might possibly have an outstanding stand of Cabernet in Monterey, and we will take that and put that in the Charles Lefranc. Because for the Charles Lefranc label we absolutely insist on what we call "the heart of the wine." It must be an outstanding piece of Chardonnay, or anything that we bottle under Charles Lefranc must be absolutely outstanding. We may not have more than five, six, or 8,000 cases of it, but that's fine. It must have that top-of-the-range quality. We might have one year that's San Benito Cabernet, and if there's a particularly fine vintage we might even have it for Monterey. But not necessarily. We might have only one vintage from one appellation.

## Increasing Sales

Teiser: Back to the growth of the company. In 1954, the year before you came into the company, it produced 150,000 cases, and in 1973, four years after you became president, it produced 5 million cases.

Dieppe: And then how far up do you go? You go up to 13 million.

Teiser: When did you hit 13 million?

Dieppe: '80 or '81. I know we were just about at the top of our range when I retired. That's when we were number one in size in the whole premium field, by far, and third in size in total production.

Teiser: How did the pattern of sales, nationally, go during your presidency?

Dieppe: Well, I think the thing that I felt was most important was the fact that almost completely, up until that time, we had been sort of putting most of the sales emphasis on the major cosmopolitan areas in the United States, the major cities, whether they be San Francisco, Los Angeles, maybe San Diego, New York, Boston, Philadelphia, Washington, Dallas, Houston.

I had always believed that you can fill a ten-pound bag just so full, and then it's going to overflow where you can't fill it any more. And I felt that one of the major areas of growth, which most people in the industry had probably, for economic reasons, neglected was a huge swath of states through the Midwest and the South. I felt that, given the opportunity for exposure, that here was the ability to broaden the base of your sales projections. Because you can very quickly reach a 100-per cent increase in sales in areas where there was nothing.

So I increased the sales force by appointing people in different states, and sometimes in just a very small, limited area, to cover and work hard on with increasing the numbers of distributors. By now what had happened was there were more and more distributors, even throughout these areas, because they were selling maybe just even beer and soda waters. Some of them had some of the low-end wines, like a Gallo or something of that kind, or a Mogen David, Manischewitz whatever. They carried some cases, and they would go in and they'd take an order on a Monday or Tuesday, and by Thursday or Friday it was delivered along with beer and soda waters or whatever. And I said, "Well, we have to go for that." Even small distributors who were general all-product distributors, they needed more cases to sell.

So I insisted that we take all of these new men and make them get into each and every one of the markets, the contiguous United States, as well as Alaska and Hawaii. Although we already had established a business in Hawaii, because Mr. Jurgens loved to go over there, Alaska, where I had been, was a ripe area and it was becoming more affluent and so forth.

So this indeed helped to increase two things: not only our base of distribution and make it more valuable to us for advertising, because it helped pay off the advertising dollar; but it increased volume. Since people became more mobile, as you know, and traveled more--businessmen would travel from Des Moines, Iowa, to Chicago or to New York City--and if they had your wine in their home town they would probably ask for it when they went to a cosmopolitan area. And in fact this indeed did happen.

Dieppe: So this was one of the emphases that I insisted on. I insisted on more and more advertising. Again, as I say, tremendously more magazines, much more in radio. We were sending tapes to radio stations all over. Wherever they would use them, we would send them a tape. "If you just use them, we'll buy the tapes for you." Also, as I say, in television, until we went into national, which is very, very costly.

But if you look at the thing from the true word of salesmanship, rather than, say, marketing, this was the most needful thing to do first. Then the so-called marketing came second.

And John McClelland, who had been with me for a great number of years, since 1958 as a matter of fact, in southern California, John was a good salesman. When I took over as president, I brought him up as vice president of sales, but his talents were greater in the area of marketing materials. So I very quickly put John as vice president of marketing, and Marcus Friedlin as vice president of sales. Marcus was an outstanding sales personality. Unfortunately, both of those nice gentlemen are now away from the company. John McClelland is now up at Geyser Peak and Marcus Friedlin is now vice president and general manager of a distributing company here in the Bay Area.

We had a rule that everybody was to say the same thing at the same time. I did that in advertising. If I advertised cheese, everybody would say cheese; don't say apples, even though we might have apples, huh? All of the emphasis on the timetable was everybody do and say the same thing at the same time so that it's the greatest possible impact on the trade as well as the consumer.

Although so many times people say, "Well, you were just lucky, you just grew with the explosion of the wine industry," wait a minute. We had competition, and we had very big competition. We had people like Paul Masson, who was very big, owned by Seagrams that had a lot of money. And there were a lot of other people in the trade who had the same abilities to grow as we did, but for whatever reasons, we were the success.

Teiser: What about that industry setback in the early seventies? Did that affect you?

Dieppe: Well, it made it more difficult, more costly, but we still continued up. Let me just point out to you that if you were to look at the [Louis R.] Gomberg figures on sales, you would see that we increased our sales always. We may have not had as great an increase in profits in some of those years, those recession years, but we always increased our volume. I had always made sure that I had that understanding with the owners in New York.

Selling and Re-purchasing Stock

Dieppe: Don't forget, during that recession period we went public, 1972.

Teiser: How did that come about?

Dieppe: In Louis Benoist's days, when we were just very, very tiny, before I even joined the company, he sold off shares of stock: $100 common and $110 preferred, for $100. And he sold if off to all these people who he knew and to others he didn't know who were famous who wanted some shares. They'd like to own a piece of a winery, and they might only have one unit of 100 shares of common and one share of preferred, but they owned a piece of a winery. And the reason for it was that they went to restaurants and they went to package stores, and they insisted on their wine. The feeling of propriety. "I want to buy my wine."

So, now, Bierwirth knew about this story, and I'd always said I thought it was a terrific thing that if everybody could own a piece of Almadén, it would create that much more guaranteed consumers, because a guy that owns a piece of Almadén is not going to buy somebody else's wine, he's going to buy his wine.

Teiser: Did you offer any special incentives on wine purchases to those who owned shares?

Dieppe: This was done under the old regime, under Louis Benoist, for those original stockholders we had the stockholders' price list, for those, but not under National. When we went public with 26 per cent of the shares in 1972, there was no special inducement, no privileges of any kind. No. It would not have been good.

Teiser: Yes. What was the advantage of selling the 26 per cent?

Dieppe: I think that it gave us a lot of new buyers. As a matter of fact, when National bought back all that stock in 1977, I know a lot of people were very unhappy: they wanted to own a piece of a winery. "Oh gosh, that's a terrible thing to do to us."

Teiser: Why did National buy it back, then?

Dieppe: I don't think I'll ever know.

Teiser: Had Mr. Bierwirth stopped being active by then?

Dieppe: No. Well, he was no longer chairman, but he was very active as chairman of the executive committee, in '77.

Teiser: So that he still had some power in the organization?

Dieppe: Oh yes. The present chairman, Mr. Drummond C. Bell, took over as chairman when Mr. Bierwirth moved out of the chairman of the board and became chairman of the executive committee, and Mr. Bell became chairman and chief executive officer in '76.

Well, you know, a lot of companies buy back stock of their own because they think it's a hell of a buy. I think that's possibly one of the major reasons that they did that.

Teiser: I see. It would be reasonable, wouldn't it?

Dieppe: Yes. In fact it's so reasonable that more and more companies do it today than ever before. Instead of investing their capital somewhere else, they say, "Gosh, my stock has a lower value than the actual value of the business, I'm going to buy it back, invest my own money to buy back the stock from outsiders."

Teiser: Who were the others in the organization who were outstanding. You mentioned Mr. Ohlandt.

## Beverly C. Ohlandt and John E. Bierwirth

Dieppe: Mr. Beverly C. Ohlandt came to National Distillers; he was formerly with Schenley, and he had been before that president of a major wholesale food company that sold only to restaurants and markets and so forth. Then, after he sold out of that business, in 1949, Mr. Bierwirth was looking around. The reason that Mr. Bierwirth left as head of New York Trust Company to go to National Distillers was because National Distillers, as purely a liquor company at that time, had a tremendous cash flow, and the people at National wanted to diversify the corporation. So they got this banker, Mr. Bierwirth, to come over to National Distillers. And his first thought into diversification of the corporation was into petrochemicals, and that's why it got its name National Distillers and Chemical Corporation.

So then when Mr. Bierwirth came in, he wanted somebody to be the head of the liquor itself, so that as the corporation diversified and expanded into other media, only one person would be responsible for the liquor corporation, the liquor division. So he got Mr. Ohlandt, who was very, very popular and very well known in the industry, to come in with him. When National bought Almadén in 1967, Mr. Ohlandt became the chairman of the board.

Teiser: Of Almadén?

Dieppe: Of Almadén. And he was then vice chairman of National Distillers and Chemical Corporation and general manager of the liquor company. And he stayed as chairman of Almadén until 1971 when he retired. That's when Mr. Bierwirth then became active chairman of Almadén, after Mr. Ohlandt got out.

Well, what did Mr. Ohlandt do? Well, Mr. Ohlandt was an amazing man. As I say, he was so very, very well known in the whole industry. Retailers, restaurateurs, everybody knew Mr. Ohlandt from National. He would give me tips about things like being active in such-and-such an organization, being active in trade organizations, being active in this, and being active in that.

I think one time only he tried to presume on me to do what he wanted me to do, and that was a situation in southern Florida when we had a bad deal with a distributor there. And he practically said, "What are you doing--

##

Teiser: Mr. Ohlandt asked if you were going to simply abandon southern Florida, and you said until you found--

Dieppe: A distributor who really wanted to be a good distributor and do some good for us, I would just leave it alone, let it die if it had to. And he said, "Well, you can't do that." And I said, "Yes, I can do that. That's my privilege, and I'm going to do it, damn it." Well then, by gosh, I got a fine distributor, and immediately our business just boomed all over the whole southern state of Florida, from Palm Beach to Miami and across to Tampa. And Ohlandt always said afterwards, "You're the luckiest man in the world." I said, "No, I wasn't lucky, Bev. I knew what I had to have and it was no good just having it in some house and then let it lay fallow there. That's the worst thing to have happen. Make somebody really put some emphasis behind it," which that company did, and we're still very big in Florida.

Teiser: Then Mr. Bierwirth took over himself?

Dieppe: Mr. Bierwirth said, "Well, all right, Bev, you're retiring, so I'll be the chairman of Almadén.

Teiser: He really was interested in it.

Dieppe: Oh, he loved it, loved to come out here. As I say, for a man who didn't like or appreciate alcohol, not that he ever forbade anybody from drinking it, but he never appreciated it, he never drank, but he was in love with the romance of this business and he was in love

Dieppe: with what we were doing. We were already starting to boom like crazy. And he'd say, "Bill, I want to go here with you." So we'd use the company planes and we'd go different places. He'd say, "I want to take off on a trip with you."

I'll never forget, he pulled this on me first in New York. He said to the head of the security analysts, "Wait till he starts telling you his bedtime story [the story of Almadén.] It'll take you forty-five minutes to get him off the podium." He always said, "Bill, God, when you tell this story everybody looks; it's like a bedtime story." It was romance and it was everything. And he loved it. [interviewer laughs]

But Mr. Ohlandt really, other than that, had no major contribution to Almaden. He was more or less a watchdog head for Almaden, and that's why when Mr. Bierwirth decided to retire as chairman of the board and CEO in the beginning of 1976, he made Mr. Bell, who was then president of National, made him chairman of the board and made me chairman of the board of Almadén. So there we are.

## Klaus P. Mathes##

[Interview 4: November 29, 1984]

Teiser: Mr. Klaus P. Mathes became winemaker in charge, in 1974.

Dieppe: Klaus Mathes came to work for Almadén Vineyards in 1966 as assistant to the head winemaker at the company's Cienega winery. Then, after Al Huntsinger and Armand Bussone retired from Almadén, Klaus Mathes became winemaker in 1974.

Klaus has a really excellent background. He studied chemistry and enology in Germany as a very young man in outstanding vineyards while he was schooling, then actually went to work for the government's enological station at the major school of enology, Bad Kreuznach. So he was actually not only a chemist but a well-versed, well-rounded winemaker before he came to this country.

Teiser: How did he happen to come to this country?

Dieppe: I frankly don't know. I guess I've never asked him. It's that sort of thing. Here he was. Actually, unless it just came up in conversation or something, I've never really tried to pry into the background of any of the people at Almadén. I accepted them for what they were and not for what they had been, and that's still my favorite exposure with people.

Dieppe: So, as I say, then, he came here and worked for us in 1966. Then, in a year plus after that, the head winemaker at Cienaga left, and Klaus became the winemaker of the Cienega winery until stepping up to winemaster and being in charge of all the winemaking and wine-aging for Almadén in 1974.

Teiser: You characterized the previous winemakers, first Goulet and then Huntsinger—

Dieppe: Right. They were winemasters.

Teiser: Can you compare Mr. Mathes to them?

Dieppe: Oh yes. Actually he was far removed in his wine education, in his technical, scientific wine knowledge, from Ollie Goulet who, as you know, studied at the Novitiate* and worked also at Paul Masson in the making of champagne, but he didn't have the depth of education in chemistry because, frankly, very rarely did you find that in this country in the early years after Repeal. Most of the people in the business, especially family people, just grew up like topsy. By exposure and working with wines, they learned to make good wines. It was only in later years that technology itself started to come into the picture, and the chemists themselves.

Klaus Mathes was very akin to what Al Huntsinger was as a winemaster because, as I have told you earlier, Al Huntsinger also was a chemist, and it gave him the abilities to produce wines on a chemical basis as well as a palate basis. So he had indeed a very fine knowledge of the chemical makeup of wines and how to keep them rolling in the continuity of quality and palate and so forth.

Klaus Mathes had that same technical background. I'm sure you recognize that, having worked in Germany, he was predominantly in the white wine business, and a sweeter white wine most generally than was here. When he came here he went right into a red winemaking facility, because by that time our Cienega winery was relegated to making nothing but red wine and rosé, and the Paicines winery was making only the whites. So here was Klaus, technically well experienced in white wines, now for the first time coming straight up to the wall with the making of red wines. But of course, being a fine chemist, it gave him the ability to immediately saturate himself with the education of the complexities of red wines vis-à-vis the white wines. So that when the then-head winemaker at Cienega left in 1968--Peter Becker--Mathes was able to walk right in and take over the Cienega winery as winemaker. And of course, in the intervening years, from then until '74, when Huntsinger left and Armand Bussone, I was fully aware of Mathes' abilities to take care of all the winemaking functions for the company. And he has indeed

---

*The Novitiate winery.

Almadén's Cienega Winery

*Photograph courtesy of Almadén Vineyards*

Dieppe: been more than satisfactory. He's an excellent man, and he's highly regarded by his peers, both in the technical association of the wine industry and then the relationship to other wineries. He's considered very highly.

Venture in Brazil

Dieppe: Now, where do you want to go from there? Did we do the National Distillers venture in Brazil?

Teiser: Oh no, we haven't yet. That was during your presidency?

Dieppe: Well, National Distillers and Chemical Corporation, who at this time now again were total owners of all the stock of Almaden vineyards corporation, were in the petro-chemical business in Brazil. Brazilians were not drinking wine particularly. A few of the more wealthy were drinking wines from Europe, but there was not anything considered to be really fine in Brazil. And as the relationships between Brazil and Argentina were cooled off, they no longer were getting those fine wines from Mendoza in Argentina.

So the question came up about would the Brazilians be good wine drinkers instead of predominantly beer for lesser economic classes and imports for the upper classes? So they asked me if I wouldn't like to take a trip to Brazil in 1972 to sort of overview this problem, because Brazilians, by and large, are from European parentage. Italian, German, Portuguese. The national language is Portuguese. And in the affluent southern states of the country, it's either predominantly German or predominantly Italian. In fact, most better educated Brazilians speak basically three languages. Portuguese, the national language. Their second language would normally be their heritage language of either German or Italian, and some even spoke some French. And then the third language would be English.

We were in business with the government. We owned 28 per cent of the petro-chemical business. I say "we"--I'm speaking now of National Distillers and Chemical. I was going to arrive on a Saturday morning, leaving here on Friday evening, and so in advance I had asked our people there to gather together all the best whites and all the best reds that were made in Brazil, so they did this.

So we started Saturday noon by going to the most famous fish restaurant in Rio, and all of the better-known, so-called quality white wines of Brazil were there for me to taste, which I did. Unfortunately, the best comment I could make about the best of them

Dieppe: was that they were very potable, none of them having any semblance of the characteristics of any given wine other than they did have an abundant Isabella background. Isabella is the native grape there as is Concord in our country, in the eastern states.

So then on Sunday the same procedure on the red wines. Again, they were very poor, and in some of them you could even taste bacteria. None of them had any exposure to wood as far as the wine would tell me, and were basically tasteless. So my notes all indicated these problems.

Then the next thing to do was to travel to the Rio Grande do Sul, and on the Tuesday following I flew down to Porto Alegre, the capital of the state of Rio Grande do Sul, and visited with the largest makers of wine in the state at that time, and expressed myself to the head winemaker and chemist, who incidentally had been up here to our Almadén vineyards about a year before. So I used him to sort of show me around. And I said to him, "Doctor, you evidently don't use wood, because there's no wood in the wines at all." "Oh yes, we do use wood." I said, "Well, Doctor, it certainly does not indicate it in the taste of the wine." "Well, I will show you when we leave here and go up to Caxias," where the wineries were.

So after a rather full morning, wherein he was bringing out in the tasting room these different wines for me to taste, I made probably the first boo-boo that I thought I'd ever made with a foreign host, and that was to expectorate the wines in disgust after four different wines, leaving a complete range of other wines. It was an immaculately clean laboratory and all the personnel immaculately clean, and these wines were absolutely ghastly. And Dr. Caligari immediately said to his co-workers, his employees in the lab, "That's enough. No more. No more." He recognized right away, since he had been here tasting and everything, my total disgust with these wines, which were deteriorating from the top to the bottom. I went from number one to number four, and each one got progressively worse, and, Lord knows, I didn't want to taste the complete range out in front there.

So after that we drove to Caxias, which is the main headquarters for wine producing in Brazil, and went to their winery. And he opened these huge doors, and "See, I told you. We age our wines in wood." So I went over and looked at these huge tanks, and wood they were, but they were made out of jacaranda. They use it for making these fine, inlaid floorings and other things. It's a tremendously hard wood, and of course did nothing of any benefit to the wine, [adding] not even the characteristic of wood. On top of that, lo and behold, I'm scraping around the iron rings outside, and I said, "Dr. Caligari, what's this? This is wax, paraffin." "Oh yes, the whole tanks are coated inside with this paraffin." I said, "Well,

Dieppe: Dr. Caligari, how would you think that the wine, even if this wood was oak, how would it possibly ever get to the wood if you had it coated with paraffin? It couldn't reach it. Why do you do this?" "Oh, it prevents it from sickness." I said, "Oh, you mean the bacteria?" "Yes, because we burn it off with steam and then recoat it with the paraffin before we put the next batch in it."

Teiser: These were aging, not fermenting, tanks?

Dieppe: These were aging, or holding tanks, if you will, not fermenting tanks, no. These were the holding tanks, because you certainly wouldn't even have had paraffin in a fermentation tank because it would all break off and be in suspension in the wine.

So at least now we had a good understanding between us about what they did not have, or what they thought they had and didn't have, because he was so impressed with our operation and all the huge real fine tanks and everything of wood that we had. Of course none of them down there had steel, because it was horribly expensive.

So anyway, I made my reports, and I met the government people in Brasília, the national seat of the government, told people from the governor's office of the state of Rio Grande do Sul what my opinions were. The head minister of agriculture in the state, a very fine gentleman, said to me, "Well, what do we do? How can we change this?" I said, "Let me just tell you something. The first thing you have to do is get rid of the vines, they're all sick. And this huge, high trellis [system] that you have"--they were covered over, you walked underneath the vines--"you have to completely change the vines [trellising]. I would suggest that instead of fumigating the area that you remove the wines from the Caxias area and replant in another different area."

On top of that the vines that had been brought from Europe ninety years earlier had been so terribly inbred with the local Isabella that even though they had made good wines in those days, they far outgrew their characteristics from their European heritage. They were now inbred only for one purpose, and that was to get more production quantitywise, gallonagewise, but most certainly horrible qualitywise.

"Well, how could we get anybody who would do such a thing?" they asked. And I said, "Well, predicated on the approval of my company people in New York, we might do this if we could get the property and all the cooperation of the government and so forth." So they said, "Well, please, would you investigate it further, and then let us know and we assure you that we want this to happen for many reasons, more than economic."

Dieppe: Well, the chairman of the board then, Mr. Jack Bierwirth, he thought that that would be possible if we, Almadén, would be the consultants and oversee the thing. It would be actually operated by the National Distillers Products Company, the liquor division people, who were already in Brazil with their liquor products. So fine, okay, we'll do that.

We then hired Dr. [H.P.] Olmo to be our consulting head for the viticultural area to plant in, and we went all over the different areas in the southern state and finally located two areas to use as first experimental vineyards. Dr. Olmo indeed did a fabulous job, there's no doubt about it. His knowledge of the country, since he was down there in the World War II years, was abundantly important, and his knowledge of what kind of soil, drainage, exposure, vegetation, et al. All of these things were tremendously valuable. Even though I thought I was knowledgeable about vineyards up here, I would most certainly not have had even a smattering of knowledge enough to know how to relocate a completely new vineyard in a country like Brazil.

The parallel [latitude] that they are in is very close to the parallels here, as a matter of fact, so the climatic conditions are somewhat similar. The vegetation was our only major problem. The vegetation was in the broad-leaf plants that do not live compatibly with the grapevine; they're disease-creating, as you probably know. So we had to get property at an elevation because banana plants and things like that don't grow at high elevations, 800 feet up. So we found an area that we thought would be quite disease-free in every aspect, and it has proven out. Harold [Olmo] was right, no doubt about it.

So in 1974 we then shipped down by stretch DC-8 airplanes to Brazil the individual little rootings. Instead of sticks we finally sent down rooted plantings, 60,000 on one trip, and on another trip 30,000. So we sent down a total of 90,000 rootings.

We had quite good results, even though it was difficult to find employees who could plant. We had better than a 50-per cent survival of the rooting plants that we sent down, and then afterwards of course we took wood from those mother plants to increase our area of production.

So the vineyards now are looking just absolutely excellent. Last year, as a matter of fact, was the first small dribble of wine produced from those vineyards into the marketplace, but in '85 we expect to have a substantially good crop. The crops down there are brought in in February, being the opposite end of the spectrum of growing and the calendar. So we're quite sure of a good crop in February. The whites and rosés, of course, will be on the market by mid-year, then the reds by the latter part of the year and thereafter.

Dieppe: I'll tell you an amazing thing, which goes along with the tastes of this country and of the world. When I went down there, it was almost a 95-per cent red-wine-drinking preference to whites, and they swore that no good Brazilian would ever drink very much white, unless it was a sweet white for afternoon or evening. And I said, "Well, I think by the time we're in the marketplace there'll be a large need for whites, because that's what's happened in our country." And they had already started to be quite abundantly sold in Europe and, as you know, in Australia and South Africa.

So we planted far more whites than would have normally been expected riskwise, but I was so sure in my own gut feeling that Brazil would also become a white-wine-drinking country, and, lo and behold, it certainly has. As a matter of fact, the white wines from Chile are highly acceptable, and so are the whites from properties like our own now and others will very quickly become a major part of the wine drinking of Brazil.

I interject that only to show you that it is not just America that has become white-wine-minded. And we at Almadén, I think, proved ourselves to be right so many years ago when jug wines were so absolutely popular, and when whites became the beverage, to the cost of the liquor business, which was losing martini and gin and vodka drinking to sherry or white wine in this country.

Teiser: Is the Brazil venture directly connected with Almadén?

Dieppe: Oh yes. Since we're a separate corporation, the whole thing, asset-wise and operationwise, was transferred from the National Distillers Liquor Company over to the Almadén Company, so we own it lock, stock, and barrel.

##

Teiser: Will you expect to distribute only in South America or were you going to bring some Brazilian wine into this country too, if you have enough?

Dieppe: For the now, it will have to be for Brazilian home consumption only, and I would suspect that because of the government's tremendous need for a product of some kind to help balance the trade between themselves and Japan, I would expect that because of the large numbers of Japanese companies in Brazil, they would probably prefer that the first exportable wines would go to Japan. But I think that in the next few years the cost of debt service to the United States monies, to our banks here, may possibly influence a 50-50 market of wines to this country as well as to Japan. But I don't believe that it would be economically to our best interest. It would be more profitable for us to export to Japan than to the United States, because we certainly don't need it in the United States.

Teiser: Was there a very clear demarcation between your years as president which ended in 1976, and your years as board chairman?

Dieppe: No, as a matter of fact, other than the title and everything that goes with it, there was really no new embarkation for me because I was doing all the same things as I had done as president. The title of chairman was held by the chairman of National until the beginning of '76. He was non-managing, non-operative as board chairman. So everything that I was doing as president was the same thing as I was doing as chairman of the board except for a few little titular exposures.

## Importing and Exporting

Teiser: I have here that a year after you became chairman--

Dieppe: We entered into the import field.

Teiser: Yes, you went into imports again, as you had earlier, I think.

Dieppe: Yes. Well, before National Distillers and Chemical Corporation bought Almadén vineyards in 1967, we had owned the Frederick Wildman & Sons Company of New York, from 1960 on. It of course was a very, very famous company. Colonel Frederick Wildman, who headed the company, was extremely well known in Europe as he was in the USA, and the lines of products were of the absolute most famous. The whole Romanee Conti family of Burgundy, and wines such as Armand Rousseau, Leflaive, Moreau from Chablis, and on and on and on, and the finest wines of Bordeaux.

So we had a very fine experience in the import field, and although we had to divest ourselves of the Frederick Wildman Company before National Distillers and Chemical took us over, actually in June of '67, I always felt, as well as did our salespeople and our distributors that some day we would be in the importing business again.

Now, this was not an ego trip, believe me, because I knew, if there were going to be foreign wines bought and consumed, I wanted to be the one who was going to sell them. At that time about 8 or 9 or 10 per cent of the wine in this country was foreign. In other words I said, "Why should I turn my back on it?" It'd be like turning your back on California, not selling any Almadén wine in California. It'd be ridiculous to say that you didn't want to be in the business because you couldn't handle both California-made wines as well as wines from Europe.

Dieppe: So I kept nibbling at the home office, at the chairman, to let me go into business again. When Frank Schoonmaker was selling his company, I almost got the corporation convinced to buy the Frank Schoonmaker import company, but that didn't happen. So then finally, in January of 1977, they approved of me going back into the import business because we were doing such a fabulously fine job with Almadén itself that they had the confidence now that we would be able to do something worthwhile in the import field.

So I immediately went to Europe to contact some of the suppliers that we had in the older days, and new ones, and I had one man in London, Robin Gold, who I knew very well from former years, who happened to be from the family of Gilbey, and I had him working to dig out suppliers in Europe for me to visit and take over franchises for the United States. It does take time because nobody's sitting there waiting for you, they all have some sort of commitment to people in this country, but little by little we got various franchises. And of course now we have some excellent imported wine lines.

Now, about exports. Let me go back again to 1960 and '61, when we had the Frederick Wildman Company. I had always believed in an international wine trade, as well as international all kinds of business. I was never an isolationist in any form. I believed in a wide-open market for everybody, and everything should be equitable.

So fortunately, because of owning the Frederick Wildman Company, who handled the Gilbey gin and Scotches and so forth, we had the opportunity to go to the Gilbeys, and they had a very huge chain of retail outlets in Great Britain, and ask them if they wouldn't like to start selling some California wines. Well, I can assure you there was a great deal of resistance because who the devil needed California wines with all the wine that they had? And they at that time did not completely appreciate the fact that California could indeed make good wines. So only with a bit of arm twisting and leverage, because we were buying the gins and the Scotches and so forth, did we finally get the Gilbeys to agree to take in a small quantity of wines and distribute them through the various stores out of this huge chain that they had.

Teiser: Which of your wines did you give them first?

Dieppe: At that time the very first wines were Cabernet Sauvignon because of the English liking claret, and Sauvignon Blanc, Semillion, strangely enough Pinot Blanc instead of Chardonnay. And, since they were having a problem with South Africa (the K.W.V* wines were on the downhill slide) and they were in need of something besides Spanish

---

*The Co-operative Wine Farmers.

Dieppe: sherries, they also took a flier with us on some sherrries. They took a cocktail sherry and a cream sherry, and that was it. But frankly, economically of course, it had no good results. I was asked many times, even asked by the Wine Institute, "Why would you do this? You can't possibly get any profit returns on it." And I said, "I'm not that interested in how much profit returns. I'm interested in the exposure of our products that some day I hope are going to be well enough accepted that a profit would be realized, and I insist that we have our products somewhere."

And we'd already started to have a small business with the navy in Japan. This was before we even got it into a Japanese distributor. Our wines in Japan are handled by the famous food chain who make soy sauce and everything, Kikkoman. The Kikkoman's wine distributing company, Kikkoman's Wine, distributes our wine to the trade, retailers and groceries and hotels and restaurants.

Every trip I would go over to England I would have wine tastings, having got into Harrod's and Fortnum and Mason. The greatest in volume of course was Harrod's, and Jim Sturgis was marvelous in having wine tastings. Shortly thereafter we were followed by people like Christian Brothers and a couple of other California wineries. Then of course we got a fellow in Switzerland who was just terribly, terribly interested.

##

Dieppe: This gentleman in Switzerland, whose major business was in the transportation of these large trucks that haul new automobiles, he was a food lover and a wine lover, and so he went into additionally selling gourmet foods and wines. He thought highly of California wines and he took on our wines, and, lo and behold, here he is selling our wines and of all things our Almadén Blanc de Blancs champagne. Can you imagine? It sold more expensively than did French champagnes, not necessarily the highest-priced French champagnes, but other sparkling French wines. And he just loved the idea of being able to do it because he loved to come to America. He spoke numbers of languages but equally good English also.

So I would go over there, and we'd just have a wonderful time, especially going into the cities selling with him. I was quite amazed at, lo and behold, these huge wine bars were selling our champagnes like crazy. I could hardly believe it.

Then we took on a firm in Germany that started to distribute our wines and doing an excellent job. All of these before the dollar values got so high that today our business has been substantially cut back.

Dieppe: Then this firm in Alsace, who we were buying Alsatian products from, also became our agents for Almadén wines in France. Although the distribution is not great, we do have representation, especially in the finest food store in Paris. Fauchon.

It was rather peculiar how that happened. I went in to buy some smoked salmon to take along with me, since we were guesting at people's home in Paris. I went in to buy some of that and we got talking about wine and they had some Paul Masson there and that was it. I said, "Well, you must have some Almadén." "Well, we know about Almadén, but we've never had anybody contact us." I said, "Well, I happen to be the chairman of the board. May I send our man in?" "Certainly." And lo and behold, they took it right away.

So anyway, here again, instead of worrying about how much money we would make by shipping over there, I thought exposure to whatever market we'd get into was most important.

Teiser: Do you expect that if and when the dollar comes down or other currencies go up you'll have a market then?

Dieppe: I think so.

Teiser: You've staked your claim, I suppose.

Dieppe: Yes, ma'm. We've already got a recognizable label and acceptance in all of these countries. Even in Italy an outfit that we do some business with in Milan is now distributing small quantities. They started off very huge for Italy, but only because of the dollar values has it gone down. The people who make Gancia as a matter of fact are the ones I'm talking about. So anyway, there we are, and, as you say, all we have to do is wait now for values to come back somewhere in balance.

Teiser: What about imports, then?

Dieppe: We bring in wines from all countries.

Teiser: And is that going well?

Dieppe: Excellent range of Italian wines. When we saw the need for more Italian wines we went in and took over franchises from people who didn't even have representations here but had fine representations in markets in Europe. And our line of wines from France is very excellent indeed. We have Taylor ports. And we have Spanish, Duff Gordon. Our business is growing all the time in imports. Of course it grew more than we thought it would in the Italian field because the Italians, lo and behold, have come in pricewise and with so much better wines than they used to have that that is a

Dieppe: huge piece of our business; it practically replaced the strong position of the French wines. The French wines are almost in the position that used to be held by the Italian imports, and the Italian imports now are the biggest by far.

Teiser: You use the name Charles Lefranc for your imports, and you also use it for the top of your California line. Is that right?

Dieppe: Yes, ma'm. Now, let me tell you why. In 1977, when we first were going back in the import business, we were going over there with a huge name like Almadén. Everybody in the business in Europe knew Almadén by reputation, and so we didn't have to worry about letters of credit, we didn't have to worry about selling somebody on our ability to sell. The name Almadén by itself was enough to say that here we have a huge selling organization, both of our own and through our distribution. So we gave it the name Almadén Import Company. People said, "You don't have to tell us how big you are, we already know that surely. Yes, you can have our line."

So then as this thing improved, we did what we really wanted to do at the beginning, have a name aside from Almadén. Since the quality hallmark of wines of Almadén was Charles Lefranc, we also wanted that name for the imports. So then we changed the name Almadén Import Company to Charles Lefranc Cellars. There was no longer a need to associate the name Almadén. And we wanted to keep them distinctly separate.

## Moving Headquarters to the Winery

Teiser: In 1978 you built new headquarters.

Dieppe: From the first day I became president of the company, I wanted to move out of San Francisco and move down here.

Well, Mr. Bev Ohlandt, who we talked about earlier, who at that time was chairman of the board of Almadén, always said, "Bill, don't be ridiculous. You've got to have your headquarters in the city; that's where all the business is done." I said, "Bev, that may be true with your corporation in New York in the liquor business, and it may be true of the banking business, and it may be true of a lot of other things, but I promise you, it is not true of the wine business because the people who come here to our headquarters office to visit with me, they do it begrudgingly. They want to be at the winery where things are made. They want to taste wines where they are. Even the oldest distributors, who may have been out here several times, they still would rather go to the winery. Cities don't mean anything to them; that's where they come from."

Dieppe: "Ah no, Bill. Look, the answer's no. We're not going to approve your moving." I said, "All right."

So now Bev Ohlandt has been retired and Mr. Bierwirth is the chairman, and now, seeing his willingness to allow me to change things, like going back into the import field, I once again struck, right at that time, in January of '77, by asking, "Please, may I finally now, move down to the winery?" By now parking and traveling into San Francisco had become abundantly horrible, and we were notified that in September of '77 our lease expired and our new lease was going to be 26-per cent higher than the old lease.

I said, "Jack, costs are going up terribly high. It's miserable for our employees to get into the city, they're always late, no matter how early they leave. The cost to the employee is excessive. And just purely on an economic basis, I will show you that we can make money by building a new headquarters office on our property at the winery and get the devil out of the city. All of we headquarters management will move ourselves down there." And he says, "How are you going to do that?" I said, "Very simple. I'm just going to tell them that I'm going to move. They don't have to move, but if they want to stay with Almadén they better move. And we will pay to move them, and help them sell their homes and buy new homes," which was a corporate policy anyway back East. He says, "Fine."

I was amazed, and never another argument, except for one thing: he said, "Well, how much is it going to cost you?" And I said, "Less than a million dollars. The cost to the company of the 26 per-cent increase in our lease here and everything else, all the accommodations, I'll make it up for you in six years, I'll pay back the investment."

We paid back in five. As I told you before, he was formerly president of Banker's Trust in New York, so he knew what money was. That completely answered all of his questions. He says, "Fine. Go ahead and do it."

Teiser: Did you have, then, to install a fleet of cars to bring people here from airports and so forth?

Dieppe: No. We have a transportation facility, between a helicopter and a van and a couple of cars. We don't have a huge fleet or anything because by and large most of the people go directly to San Francisco and stay, because that's where they want to have fun, but then we pick them up and bring them down here either by helicopter or by van if there's a large group, or by private car. We never have a need for more than two vehicles at any given time.

Teiser: Where does your helicopter land?

Dieppe: Right out here. We put a helipad in right next to the headquarters building.

Teiser: Where do you pick up people in San Francisco?

Dieppe: At the heliport on the wharf, down by--What we do is we have a San Francisco salesperson pick up the people at the heliport and drive them back into the city to their hotel, or from their hotel, or if they just take a cab down, then we pick them up there and fly them down here, and fly them down to the vineyards. It gives them a chance to overview everything as they're flying. They see everything from the top as well as from the bottom.

Teiser: Wonderful.

Dieppe: Yes. It's marvelous p.r.

So anyway, we were scheduled then to open in June of '77. We were at that time part of the county of Santa Clara instead of the city of San Jose or any other city; we were under the supervisors of the county. After having gone through all of the engineering and the presentation of plans, forty sets of plans, to the county supervisors, lo and behold, we found out that now there's only one problem: we couldn't get utility service, like sewage and extra power and so forth. We couldn't get it through Los Gatos, which was our official mailing address. The only way we would get it was to annex ourselves to San Jose. So in May we said, "All right, we'll annex ourselves into the city of San Jose, if that's all it takes."

"Well, fine, but now you have to resubmit to the planning board of the city of San Jose all new plans, engineering plans and everything else," which we had to do at a huge extra cost. It cost us a couple of hundred thousand dollars. So we were not finished until May of 1978. I told the contractors it had to be finished by May the second, 1978. I said, "That's my plan, and I'm going to have a lot of VIPs here. Everybody will be here from all around the country, and it is going to be finished or you better not show your face around here."

Well, they had it finished, thank the Lord. And we had a marvelous, marvelous opening, with a huge amount of food, and we fed 672 people that day.

Now, all the employees had to be moved out of San Francisco. We had an extension in September of '77 to December of '77. Then we had to be out of there before the first of January of '78. So we moved all the personnel down here, from the headquarters office, and they were in this room and they were in all the little rooms around here and all the shacks and wherever. There were desks side by side. It's a wonder that OSHA didn't come in here and close us down.

Mr. and Mrs. Dieppe at the dedication of Almadén's corporate headquarters, May 1978.

William A. Dieppe with new headquarters behind.

*Photographs courtesy of Almadén Vineyards*

Teiser: You should explain what this room is. Would you put on the tape the building we're in?

Dieppe: It was the home of Ollie Goulet and his wife and children, the wine-master. Before that it was a small residence, but this part was added on to it. The only original part was in the front there. This room and the room next to it, the tasting room, were added on belatedly. It was just a small residence for a supervisor of the grounds, if you will.

Teiser: So it was a small cottage, and it's now a slightly larger-than-small cottage.

Dieppe: Yes. And I had it named the 1852 Club because of the date of the original vineyard and heritage of the company, to give it a designate as a building and as a club. We have VIP luncheons here, and we have some VIP wine tastings, and writers particularly we like to entertain here. When I moved out of my big office in the headquarters building and wanted a quiet place to be, I took over this room.

Teiser: Let me ask you something more about buildings. When you started importing, did you then have to increase your warehouse space?

Dieppe: Oh yes. But we had already increased it. We have 450,000 square feet of room where we do our shipping and case aging, bottle aging, on Seventh Street in San Jose. It's a huge place. It's so big that we have railroad cars coming in to be loaded at night and we have twelve truck-loading docks. We can handle twelve railway cars inboard. And we have normally about 1,250,000 or 1,400,000 cases in inventory over there, all of them locked in on a computer system. Because of the aging system, it controls what is shipped. It's all on computer. So that when we give an order to the shipping department to ship goods out, it goes through the computer and the individual personage does not have to know what wine is coming out of there unless there's some particular reason to pull out something other than the first in, first out.

## Joint Venture with Laurent-Perrier

Teiser: Will you tell me about the joint venture with Laurent-Perrier?

Dieppe: All righty. Now, Almadén is United States representative and distributors for Laurent-Perrier Champagnes, as was National Distillers Products Company for great years before that. We have an excellent relationship. They came out numbers of years ago with a still white wine, a Chardonnay--rather expensive, believe me--and they've always sold out their total bottling. [brings out

Dieppe: a bottle to show] (Now, this is not a bottle of theirs, but it's the bottle that we made here afterwards.) Their still Chardonnay became quite desirable in the States, as it was in Europe. Supply was terribly, terribly limited because only when there was a very large crop in the Champagne district could they get sufficient from vineyards without having to go on quota because in Champagne, as you know, they're all quotaed.

Well, large numbers of excellent restaurants, where it is mostly sold rather than package accounts, would say, "We just get some, and then it's out of stock, and maybe it takes us three or six months, or maybe it's the next vintage before we get more. And, you know, it's on our imported wine list, and we have to say, 'We're sorry,' and then spend so much time telling the story about how limited it is in supply."

So here, during these years, along come different French people, as well as others now, but particularly French, joining up with California vintners. Möet Chandon, Piper-Heidsieck, others. So the Laurent-Perrier people said one time when we were over there, "We can't satisfy the market with our still white Chardonnay, and you people have the facilities and the vineyards and everything. We wonder could it be possible that you could make this over there for us?"

And we said, "We'll go it one better. Since we are your exclusive distributors in the United States for Laurent-Perrier products, why don't we make a joint venture on this still wine that would be made at Almadén with your name and the same kind of bottle and everything, and we will jointly go into it and have it produced there with the future possibility of going into the sparkling wine business at another winery which we would build together or buy together?" (They insist upon calling a champagne sparkling wine.)

So, fine. We set up this joint venture of a United States corporation of Laurent-Perrier and the New York company of National Distillers. It is not a joint company with Almadén. We only act as the producer and sales distributor of the product.

The making of the product is our responsibility, and they also send over their top winemaster every year that we have a crop, to pick out the particular section.

We have one section down at Paicines which is tremendously fine; we lease it, as a matter of fact. Tremendous. A sixty-odd acre piece of Chardonnay that is absolutely fantastic, grown in the same kind of flat, river-bottom type of gravelly soil as there is in Bordeaux.

Dieppe: So that's where we stand to date with the joint venture of Laurent-Perrier, USA, and National Distillers and Chemical Corporation, and Almadén only the producer of the product and we sell it to them.

Teiser: Where is it distributed?

Dieppe: The largest part of it is sold back East. I think without elaborating, you could well understand why.

The Wine Institute ##

Teiser: I'd like to ask you about the Wine Institute, of which you are one of the few honorary lifetime members of the board.

Dieppe: Only four. Actually there were only five ever made, and there's four of us living today, Louis Petri being dead. He was the fifth one. There are now Ernest Gallo, Harry Baccigaluppi, and the former Paul Masson head, Otto Meyer, and I'm the fourth one.

Teiser: What a distinguished group you have.

Dieppe: Indeed it is. At the annual meetings of the Wine Institute we sit together, and they always have nice things to say. Last year, of course, was the fiftieth anniversary of the Wine Institute. We had a special luncheon, and they paid us great tribute. There were close to 300 people in the room, and everybody stood up and applauded us, and, God, it was a marvelous feeling. I have to say it was such an emotional feeling that Ernest and I, I think, almost broke out in tears, we were so thrilled with what they were saying about us. And of course John De Luca, the president of the Wine Institute, was abundantly kind in saying what he did, that not only were we so many, many years in the industry that we should be honored, but what we had contributed to the industry from ourselves. It was not only what we had done for our individual companies, but what we had done in working for the betterment of the wine industry itself that we were justly honored for. So I'm very proud of that plaque, believe me.

Teiser: When anyone can make a success of one aspect of the industry, it helps the whole industry.

Dieppe: I think so. You almost find it necessary within yourself to do it, you know. I've always said that without us knowing it there're so many great people out in the world who do so many things to help people, in charitable ways, a lot of it anonymously, but people never know what a tremendous contribution they make to the world. And it

Dieppe: is true, I guess, as you say, that it's almost impossible to make a success and bigness of a company without in some way becoming deeply involved and helping the whole industry as you're going along.

Teiser: When did you start being active in the Wine Institute?

Dieppe: Well, I started actually as soon as I got in with Almadén to go with the Wine Advisory Board people and work with them on educational programs and wine tastings and things of that sort, which frankly helped me get started on doing the very special job of wine tastings for the company of Almadén. Then, shortly thereafter, I started to work on committees in the Wine Institute itself.

Teiser: What committees were you on?

Dieppe: I was in the advertising and public relations committee. Then, some years later, I became chairman of that committee. I became part of the audit committee and on several different committees. For one short period of time I was even involved in medical benefits when John Daniel [Jr.] was alive and Dr. Salvatore Lucia was the head of the medical unit of the Wine Institute. I was doing a lot of these things before I even became an officer in the Wine Institute and came up to become chairman.

Teiser: As I understand it, when you become chairman, by then you've done your hardest jobs.

Dieppe: Yes, you have. You've completed all the things that are very difficult and time-taking of yourself as well as of your company's time. The industry needs so tremendously the cooperation and the workings of the people <u>in</u> the industry, because it obviously cannot just go out and hire recklessly all the people in the world that are necessary. There isn't that kind of money subscribed. So that we people <u>in</u> the industry give of our own time and of our own companies' time to work hard for the industry on a non-salaried basis.

Teiser: What were the most difficult problems during your period of great activity with the Wine Institute?

Dieppe: I think that trade barriers being number one. Then secondly, the relationship between the industry and our license controllers of the Bureau of Alcohol, Tobacco, and Firearms in Washington, who always had to be approached by the industry people for permission to do this, permission to do that; everything is permissive. I like to always say that we are probably the only industry in the United States that was made legal by an act of constitutional amendment, the twenty-fifth amendment. So we are indeed very, very legal, but by the same token we have no rights, we only have permissions as a licensed unit to do what we want. And it's a very difficult

Dieppe: world because frankly the agencies that control us are always way behind us in changes, as you know. We are now finally into a period of the appellations of wines, which help to upgrade and help to control the movement of wines and the naming of wines, which could have been here long years ago. But again, as I say, it's a very difficult thing to get the controlling agencies to wake up and say, "Well, we'll consider letting you do this."

Teiser: The Wine Institute hasn't solved the problems you mentioned, but it I guess keeps making headway.

Dieppe: You never will solve them, because, as I say again, the solving of them is always so belated.

Frankly we never should have become metric [by federal regulation] because the United States consumer has not accepted it graciously, and it amazes me at how many people still say "a quart" of wine or "a bottle" of wine or "a fifth" of wine. Do you know how many just plain consumers go out and say, "I want a .750 or three-quarter liter bottle of wine?" You don't hear that. There's a 1.5 liter of wine, and people say, "I want a half gallon of wine," or they say, "I want a gallon of wine," not a four liter.

I think that what they should have done is to make an honest survey of the American consumer.

It's going to take generations of new consumers. Surely the children are learning metric, but people of our age or people in their forties and fifties and on up still don't grasp it.

## "Almadén is My Life" ##

Teiser: When I called you about this interview, you said, "Almaden is my life." What do you consider your main accomplishments as the head of Almadén? What are you most proud of?

Dieppe: Well, I hate to put it in such a pragmatic way, but I think the ability to grow something as big as Almadén is my major accomplishment because it bears out exactly what I believed the future of the wine business would be in California.

The reason I have said it is my life is because I believe so sincerely in it that I was willing to leave richer fields in the import business to go into the far less richer rewards at the moment of going with Almadén because I believed so sincerely in the future of the industry. I've said this to so many people, and they say,

Dieppe: "Without a question or doubt, you were right, and we can see that you did justly deserve being in the position you are because you believe so greatly in it."

I would never have been satisfied to stay as small as it was with Louis Benoist; I would never have been satisfied.

##

Dieppe: I'm quite sure I would never have been satisfied if National Distillers had said, "We want to keep it the same size as it is now with Louis Benoist," and sell nothing else but top-of-the-line quality and sell it to boutiques or something. Very honestly, my whole thought about the wine industry was not to satisfy 1 per cent of the drinkers of the world, or the drinkers of the United States really; I believed that wine was so important to the public as relates to its complement to foods, as relates to its significance to family life, the enjoyment of better living, more social grace than other alcoholic beverages, that I wanted it to be the drink of the people, not just a few wine-knowledgeable authorities and connoisseurs. That's another reason why I emphasized so strongly the large range of prices and the large range of qualities of our products.

The greatest thing I think I have done is to build Almadén on such a strong foundation to be the size that it is, with all of the compliments that we have had over the great numbers of years. I think that's really what I have contributed.

Teiser: What were your hardest decisions?

Dieppe: Oh, I think, without a doubt, the hardest decision was just that one thing: volume to the masses. Because I must say this honestly, to sell lesser-priced wines was really frowned on by the industry. I can remember very well that Gallo wines weren't so highly regarded; not that they weren't very good wines, but because they were low priced. And the same thing happened with other winemakers.

To jump from this almost image of top-quality premium wines, only of the top varieties, and take this huge gamble into the large quantities of wines for the people, was probably the hardest bath to take the first day, until I saw the great results and saw the appeal of the advertising in magazines and by writers and magazine people who were very kindly to it.

I'll never forget people like our fine French chef lady Julia Child [who] years ago would stand there cooking and would even have a half gallon of Almadén wine on the counter, and she'd be pouring it into a recipe--this was when she was doing the program from Boston--and then she'd always have to spill a little into a glass and

Dieppe: take a sip. Well, of course, you know, you always have to keep tasting the wine to make sure it's just right for the recipe. [interviewer laughs] Things like this helped to upgrade the smaller-priced wines.

So no other decision I've ever made was that important. Because I never expanded this company beyond the means of the company to support it.

Teiser: Well, there's never been any disruption in your affection for Almadén.

Dieppe: No, not at all. I've never grown tired ot it. All the different things we've done, getting back in the import, the Brazilian operation. Maybe if I was younger there's a couple of other things I would have done, but I always had the same excitement for it. I have it today just as much as I had it twenty-five, thirty years ago.

Teiser: You mentioned in your description of your earlier wine tastings, something about wine changing social customs.

Dieppe: Wine drinking is not, again as I say, just a matter of drinking a beverage, an alcoholic beverage, but it has an amazing ability to influence the social life of our people. It brings a need for social conversation. You can go to a party and there will be bankers and doctors, lawyers and Indian chiefs and maybe just one wine person, and I'll tell you it only takes five minutes to get through talking to the doctor or the banker or the Indian chief, and everybody will very quickly hear, "There's a wine man in the room. Let's talk to him about our favorite wine."

This is a social life, a betterment of our social life that we have gained through this wonderful wine industry of ours. And magazines that talk about wine, and wine and food are in and out of print all the time, and passed from one to another. I have people who say, "Well, I don't subscribe to this, will you pass on your old copies and I'll give you so-and-so of mine?"

There's no <u>end</u> to all the social grace that we have developed for the people of the United States who never knew about this before because most of them grew up during the time of Prohibition, and it wasn't really until the fifties and sixties that we started to learn a little bit about wine. But today, you must admit, that the conversation piece, the need for talking and trying wines, has certainly arrived.

Transcriber: Joyce Minick
Final Typist: Anne Schofield

TAPE GUIDE -- William A. Dieppe

INDEX -- WILLIAM A. DIEPPE

WINES MENTIONED IN THE INTERVIEW

GRAPES MENTIONED IN THE INTERVIEW

Ruth Teiser

Born in Portland, Oregon; came to the Bay Area in 1932 and has lived here ever since.
Stanford University, B.A., M.A. in English; further graduate work in Western history.
Newspaper and magazine writer in San Francisco since 1943, writing on local history and business and social life of the Bay Area.
Book reviewer for the San Francisco Chronicle, 1943-1974.
Co-author of Winemaking in California, a history, 1982.
An interviewer-editor in the Regional Oral History Office since 1965.