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"Specialized Granting with National and
International Impact," an oral history
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Regional Oral History Office, The Bancroft
Library, University of California,
Berkeley, 1989.

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MARY DEE SKAGGS -- ERRATA

- p. 14, line 17 should read "my mother--Marie Cornelia."
- p. 28, line 10 should read "people had more money than they knew. . . "
- p. 32, line 14 should read "Is that because your husband. . . "
- p. 35, line 30 should read "Yes, if he's available, we are going to have this man. . ."
- p. 36, line 24 should read "or you had been acquainted with her somehow?"
- p. 48, line 33 should read "Some of them have turned out beautifully, and"
- p. 48, footnote should read "Skaggs Foundation annual report"
- p. 50, line 27 should read "and we had a beautiful view. . . "
- p. 51, line 16 should read "Massachusetts."
- p. 93, line 22 should read "and the Viking settlements were. . . "
- p. 93, line 23 should read "many centuries ago"
- p. 117, line 25 should read "about it"
- p. 127, line 16 should read "Hadrian's Wall"



MARY C. SKAGGS

and Misty

1987

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PREFACE

Northern California Grantmakers and the Regional Oral History Office of The Bancroft Library at the University of California at Berkeley are pleased to present the first installment of a series of twelve oral histories documenting the growth and development of Bay Area philanthropy during the last twenty-five years. It is our hope that these memoirs will both preserve a record of the experiences and philosophies of selected senior members of the philanthropic community, and encourage greater understanding and discussion of the traditions of charitable giving.

The starting point for this series was an earlier project of the Regional Oral History Office, completed in 1976, which documented Bay Area foundation history in the 1930s and 1940s, and the evolution of issues and leadership in the 1950s and 1960s. The new series will focus on the significant changes which have occurred since that time, including the tremendous growth in corporate giving, changes in the role of the government in supporting the arts and human services, and increased collaboration among grantmakers.

Selection of prospective interviewees for the project involved many hard choices among outstanding persons in Bay Area philanthropy. The final selection was made by The Bancroft Library, and reflects the broad spectrum of grantmaking organizations and styles in the Bay Area. The guiding principal has been to preserve a record of the thinking and experience of men and women who have made significant contributions in shaping the philanthropic response to the many changes which have occurred over the last twenty-five years.

Overall guidance for the project has been provided by an advisory committee composed of representatives from the philanthropic community and the U.C. Berkeley faculty. The advisory committee is particularly indebted to Florette White Pomeroy and John R. May, whose enthusiasm, leadership and wise counsel made the project possible. The committee is also grateful to the eleven foundations and corporations which generously contributed the necessary financial support to conduct the project. Members of the advisory committee and the contributors are listed on the following pages.

The director for the project is Gabrielle Morris, who conducted the previous project on the history of Bay Area foundations. Willa Baum, head of the Regional Oral History Office, provides administrative supervision, and overall supervision and much helpful guidance has been provided by Professor James D. Hart, Director of The Bancroft Library.

For the advisory committee,

Ruth Chance
Thomas Layton

April 1989
San Francisco, California

HISTORY OF BAY AREA PHILANTHROPY SERIES

Herman E. Gallegos, Equity and Diversity: Hispanics in the Nonprofit World, 1989.

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Sally Lilienthal, Funding Prevention of Nuclear War, 1989.

Mary C. Skaggs and Philip Jelley, Specialized Granting with National and International Impact, 1989.

Morris Doyle, in process.

Leslie Luttgens, in process.

Madeleine Haas Russell, in process.

Bay Area Foundation History Series
June, 1976

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Introduction to series
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Volume II

Ruth Chance, *At the Heart of Grants for Youth*

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Daniel J. Koshland, *Responding to the Flow of New Ideas in the Community*
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For additional oral histories on philanthropy and nonprofit organizations, consult the Regional Oral History Office.

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The Regional Oral History Office would like to express its thanks to the following organizations whose encouragement and support have made possible the History of Bay Area Philanthropy Series.

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L.J. Skaggs and Mary C. Skaggs Foundation

Wells Fargo Foundation

INTRODUCTION by Peter H. Forsham

L.J. Skaggs and Mary C. Skaggs established the foundation which bears their name in 1967. Even though it has passed its twentieth anniversary, it is a relative newcomer among philanthropic agencies in California. Its roots are in Mr. and Mrs. Skaggs' flair for business and their very strong philanthropic feeling. Their success in building Pay Less Drug Stores gave them the means to do what they had long considered worthwhile, namely to facilitate the implementation of good ideas by those with talent but without finances.

A tall, thin grey-haired man, very energetic and successful, Mr. Skaggs worked to the end of his endurance to make their dreams of a foundation a worthwhile enterprise. He sought the advice of his longtime lawyer, Philip Jelley, and other outstanding colleagues and continued work on his plans for the foundation until his premature demise on December 9, 1970. Under Mr. Jelley's increasingly expert, watchful eyes the foundation has grown remarkably in its first twenty years, and continues to do so.

I became acquainted with Mr. and Mrs. Skaggs in 1965, when they came to see me in my professional capacity as an expert in diabetes. Although very fit in his younger years, Mr. Skaggs had unfortunately developed a degree of the illness that had become chronic, with complications which gave him severe aches and pains, making sleeping difficult and taking all fun out of life. Management of his illness included a rather restrictive life style, strict diet, and limitation on the time he could spend on business. He cooperated to his best, but all this was contra to his free-spinning, creative nature. For a time, he turned to holistic medicine, with poor results, and he soon returned to my care.

We spent many hours together in my office and at the University of California hospitals. On many of our visits at least half the time was spent discussing how to maintain his far-flung activities. I learned about the pleasant parts of his life when he and Mrs. Skaggs lived in different places in the west, and the beginnings of his success with Pay Less Stores. He talked of summer trips on their yacht outside Ketchikan, Alaska, sailing with friends and relatives. Mary Skaggs always acted as the hostess, which meant being the constantly busy kitchen maid, and sailor when weather got rough. In her very pleasant way, and with a great sense of humor, she did everything possible to make Juston happy. In later years, they took many trips all over the world. They planned their life carefully and Mary worked hard so that he could do all the things he enjoyed.

Juston Skaggs was born on May 4, 1899 and married Mary Cornelia Dee on August 4, 1919. He was one of eight siblings born into the family of a traveling preacher and storekeeper, and went to work in his father's store at an early age. By and large the children became very successful, especially

M.B. Skaggs, who became president of Safeway Stores when it was founded and retired in 1929 to his home in Oakland.

L.J., as he was called affectionately by his relatives, friends, and business associates, began to talk to me about a foundation after I had known him for about two years. He was enthusiastic about the medical research work at the Metabolic Research Unit at UCSF and wondered whether a donation would not be important. In this always underfinanced activity, it was indeed. When the foundation began operation, he gave as much as \$200,000 a year to the unit.

From that initial generosity, he began to visualize what money given at the right time to the right person could do in terms of alleviating human suffering. He envisioned that as the foundation grew it would also bring joy to mankind.

As L.J. began to come to the hospital more frequently, we spent time discussing his personal plans as well. I recall one day he asked me to take a big brown envelope out of his closet, open it, and look at the contents. It contained six million dollars' worth of California tax-free water bonds.

I was a bit astonished and said, "What's this for?" "It's for Mary to have a little security when I'm gone," was his reply.

During these years he also had many conferences with Philip Jelley working out details of the foundation. It was decided to have a small board consisting of no more than five people at a time. I became the vice president and Philip became the secretary, the position he holds today. After 1970, the foundation gradually let go of medical support to a large extent and concentrated on art and folklore, which were deemed to be the most underprivileged activities at the time. After the sale of the foundation's shares of Pay Less stock in 1981, the funds of the foundation increased significantly. Since it is no longer supporting scientific medical research, more funding has been available for the fine arts.

Under Philip's guidance as secretary, the Skaggs Foundation does excellent critical work in preparing information about the people and organizations to whom the foundation is considering making funds available. There are a number of staff members who are exceedingly hard working and enthusiastic. They make well-planned contact with the applicants, who each fall send in carefully prepared requests for support. Then in the spring the staff, with the considered advice of the board members, makes decisions on the level and duration of support. By now, grants amount to over twenty million dollars per year.

What makes this group of people so successful is that imagination and novelty is considered the most important aspect of an application. For instance, in the program for historical projects, the foundation attempts to encourage new and more informative exhibition styles. It has been a great pleasure to work with people who are so devoted and helpful to the public. Above all it is a privilege to be associated with Mrs. Skaggs and observe

the manner in which she gives so freely of herself and her fortune, and remains ever wise and calm and understanding of the troubles and aspirations of humanity.

Peter H. Forsham, M.D.

University of California, San Francisco
February 1989

INTERVIEW HISTORY

Talking with Mary Skaggs provides a vivid sense of the energetic, independent spirit that has contributed much to America in the twentieth century. Practical and objective, that spirit, as evidenced in the lives of Mary Cornelia Dee Skaggs and her husband, has built the everyday businesses we all rely on and includes a continuing generosity and concern for their fellows in the form of personal philanthropy and, since 1967, through the L.J. Skaggs and Mary C. Skaggs Foundation of Oakland, California.

The nature of their ideas and how they have been carried out by the foundation are reflected in six hours of interviews with Mrs. Skaggs and with Philip Jelley, executive officer of the foundation, conducted by The Bancroft Library for the Northern California Grantmakers project on the history of Bay Area philanthropy.

Born in Holland at the turn of the century, Mary Dee came with her family as a small child to Utah. In those near-frontier days, she recalls doing chores in her father's print shop and helping with the younger children when her mother went to help a neighbor in childbirth. What we think of today as public health was an everyday concern. Water, milk, and clothes were boiled, since municipal facilities were few. Travelers were regularly welcomed into their home since hotels were scarce. Matter-of-factly she mentions the flu epidemic of 1919, when no one knew if and when it would end, noting a parallel to fears and uncertainty about AIDS in the 1980s.

During World War I, women were needed in the work force and teen-aged Mary happily took a job outside the home, in a local pharmacy. There she met and, in 1919, married Levi Juston Skaggs, one of a family of twelve children. Father Skaggs and his sons had come west from Missouri and were doing well as pioneers in the new field of establishing low-cost branch grocery stores in small towns. Mary and L.J. scouted likely locations and set up Skaggs Stores outlets throughout the Midwest, later moving their base to Portland, Oregon. Through the years community requests for contributions were frequent and the Skaggses responded to many solicitations, as well as providing help to new employees just getting started and to promising young people they met on their travels.

When Skaggs Stores merged with another grocery group to form the Safeway chain, in 1926, Mr. and Mrs. Skaggs went on to develop the Pay Less group of drug stores in northern California. More of their time was spent in the Bay Area and they built a home in the rolling countryside north of San Francisco.

After the death of Virginia, their only child, Mr. Skaggs began to talk with associates about the best use of their considerable assets, and in 1967

created the L.J. Skaggs and Mary C. Skaggs Foundation. Key advisors, in addition to Mary Skaggs with whom he regularly discussed business decisions, were Peter Forsham, his physician, and Philip Jelley, his attorney, both of whom continue today as officers and trustees of the foundation.

Under the guidance of these three, the foundation has in twenty years tested and explored varieties of philanthropic grantmaking and made itself a distinctive niche in funding a broad range of arts, humanities, and community programs, in which it has significant impact not only in California, but also has made itself known nationally and internationally. Reading annual reports and other documents for this relatively short period, one can discern four stages in the foundation's evolution to its present focus on funding in the field of the arts, broadly defined and creatively pursued.

These stages can be defined briefly as: getting started, building assets, developing staff and grant programs, and proactive partnership with promising grantees. The stages are not sharply delineated and there is continuity between them: together they present a valuable model of the growth process of a moderate-sized, responsive foundation.

As defined by L.J. Skaggs, the foundation has a few firm principles and also considerable flexibility. In the first stage, the corpus was relatively small, enabling trustees to develop grantmaking skills gradually. Yet from the beginning, Mr. Skaggs determined that the trust would not continue in perpetuity. No term of operation has been set, but trustees have the option of drawing on the endowment to maintain funding levels or to respond to unusual opportunities.

Although Mr. Skaggs died shortly after the foundation was started, it continues to reflect his down-to-earth concern that it be scrupulous in complying with regulatory rules and operate with a small staff and lean administrative budget. Therefore, the foundation has a staff of three, plus Mr. Jelley, and offices are within a law firm which provides supervision and clerical support as needed. Widely distributed annual reports and grantmaking guidelines provide public accountability. The annual reports have evolved over the years from a brief listing of activities to a handsome color brochure that indicates the creativity of recent grant programs in essays and illustrations that define emerging issues and Skaggs Foundation response.

Three interviews were recorded with Mrs. Skaggs. The first in October 1987 in her apartment overlooking downtown Oakland, the others in February 1987 at her Lake County ranch. An attractive, small, round woman, she was a bit diffident about discussing her personal life. She did oblige, however, with lively anecdotes about growing up in Utah, experiences shared with her husband, and many instances of their interest in and assistance to those in need.

She describes creation of the L.J. Skaggs and Mary C. Skaggs Foundation and her years as president of its board briefly, referring those interested

in further information to Philip Jelley, the foundation's manager. It is clear from her remarks that she is observant and thoughtful in keeping watch over grantmaking and financial matters, occasionally commenting aloud, "What good we did [with that grant], I don't know."

Philip Jelley's oral history was recorded as a companion to Mrs. Skaggs's recollections. As Mr. and Mrs. Skaggs's attorney, he drew up the papers for creation of the foundation and continues to serve as secretary of the board. In several hours of focussed conversation in June 1988 at the foundation's Oakland offices, he outlines the evolution of its granting programs and management style. Starting with Mr. Skaggs's interest in medical research and Mrs. Skaggs's devotion to music and theater, he describes the ways in which the skills and interests of staff have augmented the foundation's interaction with applicants.

A tall, handsome, silverhaired, well-tailored fellow, Mr. Jelley was relaxed and informative in his comments. The picture that emerges is of an organization that is both a respected participant in local and national foundation activities and that also maintains an independent stance in its own grantmaking.

Both Mrs. Skaggs and Mr. Jelley were prompt in reviewing the lightly edited transcripts of their interviews. Mrs. Skaggs added a few comments to clarify her statements and deleted several passages she felt were private. Mr. Jelley made minor revisions of phrasing and corrected a few name spellings.

Additional insight on the character and concerns of Mr. and Mrs. Skaggs is provided in the introduction written by Peter H. Forsham, of the University of California, San Francisco. After a number of years as L.J. Skaggs personal physician, Dr. Forsham has continued to be a close friend and adviser of Mary Skaggs.

Gabrielle Morris
Interviewer-Editor

Regional Oral History Office
The Bancroft Library
January 1988

Regional Oral History Office
The Bancroft Library

University of California
Berkeley, California

History of Bay Area Philanthropy Series

Mary Dee Skaggs

OBSERVATIONS ON THE L.J. SKAGGS AND MARY C. SKAGGS FOUNDATION

Interviews Conducted by
Gabrielle Morris
in 1988

Sponsored by Northern California Grantmakers

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I FAMILY BACKGROUND

[Date of Interview: 11 November 1987]##

From Holland to Oregon

Morris: You just mentioned that you were born in Rotterdam. You're eighty-seven now?

Skaggs: Be eighty-eight in January.

Morris: Eighty-eight in January. So you were born in 1900?

Skaggs: Right.

Morris: That's very exciting.

Skaggs: Like I say--probably tell it too often--I say I spanned the Victorian to the Space Age. I was a Bloomer girl. I went through the mini-skirt era and all the wars.

My father was apprenticed to the biggest newspaper in Rotterdam when he was twelve years old. It was his life, and it was his hobby. Because of him, I always notice a book's binding and paper and print.

We grew up with books and newspapers. If there wasn't anything else to read, I'd read the phone book, the Gideon Bible, if necessary. [laughs]

Morris: Your father was a printer?

This symbol indicates the start of a new tape or tape segment. For guide to tapes, see p. 66a.

Skaggs: Yes, and the foreman in charge of the company. And he knew the whole thing from start to finish.

At the time that we emigrated, I was the oldest of four children. Three times my parents had planned to come to the United States--come to America as they termed it. It was the time of the father and the grandfather was the head of the house. The grandfather, he was the head of everything, so he decided he should go first and take the older brother. There went the first savings. And by the time my parents had saved it three times, you see, then they had the four children.

The newspaper begged him not to go. They wanted to raise his salary; they said the Indians would get him, and that he would not be able to make a living, which was very nearly was true.

The reason they wanted to come, one of the reasons (they had never known anything except kings and queens) was the democracy. At that time Teddy Roosevelt (it was in 1906) was the president (so I have been through a lot of presidents, too.)

They were converted to the Latter Day Saints church, the Mormons as it is called, in Holland. David O. McKay, whom you have probably heard of, was very prominent in the Mormon church, a prophet. He was a young missionary at that time, and he held me on his lap when they came to visit my parents' house. I was still a baby then before they had the other three.

When we made the trip (we made it on the Holland America Line), all the children were seasick. The youngest child, my brother, was only two months old. My grandfather, a city man that knew nothing about farming, had bought land out of LeGrand, Oregon, a strawberry farm, I think it was. After that long voyage, they got off the train and went through the immigration. You had to be healthy and you had to have fifty dollars. You had to have a way of support once you got there, or you couldn't get in. Some of those people didn't have it, and my dad said they just passed the same fifty dollars back, and everyone trusted everybody. That wouldn't happen today, I'm sure, but that's the way some of them had to do.

Well, anyway, they made the long train trip before the days of dining cars or anything. They made frequent stops, of course, and my dad got off. He didn't know any English, but he saw some things for sale at the station, and he bought these things that looked good and brought them on the train for four little children and my mother, and what do you think he had bought? You'll never guess in a thousand years.

Morris: Popcorn?

Skaggs: No, but you're getting close. [laughter] Tomatoes, which he had never seen, but they looked good, fresh tomatoes, and a box of shredded wheat, which he thought was cookies or cakes of some kind. There was no milk on the train, and that baby had to have just ice or ice water all the way across until they got to LeGrand.

They had sent a telegram that they were coming and were expecting to be met. My mother dressed us all up in our white clothes, and our sashes and ribbons, and things that children wore in those days before we got off the train.

They got off, and there was no one there to meet them. LeGrand never was much of a town, but in those days, I guess, it was just a jumping-off place. There was nothing there but a saloon. There's always a saloon.

Morris: Right, where the train stops.

Skaggs: A saloon; just like in Germany, they drink a great deal of beer. It was hot, and it was dusty, and they were tired. So my dad just marched us all into the saloon. In Holland, they had places for women and places for men. And like in European countries, too, they shared the bathrooms; they think nothing of that, the toilets. But anyway, he said that everybody looked at them in shocked surprise. Finally, some kind man offered to take them with his horse and his buggy to my grandfather's farm.

Morris: Were there other people from Holland living in LeGrand?

Skaggs: No, no. They were alone there. When they arrived, my grandfather was repairing a step. He looked up and said, "Oh, you're here." That was the welcome they got.

My dad couldn't find work. There was no newspaper there; he had never done any other kind of work. He was strictly a one-profession man. So the only work he could get was in the sugar-beet mill. You see, there are a lot of sugar beets in that area, or used to be. They put him in the pit with the syrup and a shovel. He worked a couple of days, and his hands hurt, of course--blistered. He got infection, gangrene in them. That settled that. I don't know how long we were there, but it wasn't very long.

Father's Printing Business; Life in Utah

Skaggs: In spite of the fact that he didn't know any English, he was hired by the Deseret News in Salt Lake, which was also and still is the best and biggest paper there.

Morris: From Oregon?

Skaggs: From Oregon to Salt Lake.

Morris: How did he make contact with the Salt Lake paper?

Skaggs: Through the church, I presume. He got this position; in those days they called it foreman.

Morris: Was there a Latter Day Saints church in LeGrand?

Skaggs: I don't really know.

Morris: He must have been glad to get out of the farming area and back to a newspaper!

Skaggs: I wish I had listened more to--you know, one doesn't pay that much attention to one's parents. Stories that they had, it's just a part of daily life; a little of it sticks, but not very much.

Anyway, I was only five years old. I remember other little things that happened to me--but not what happened to your parents when you're five years old, unless it's something traumatic.

Anyway, we were in Salt Lake. I started school there. Then we moved to Ogden. By that time, we had some relatives that had also come. They had gone to Utah. I think that was one reason we went to Utah from Oregon.

Morris: The relatives came after your parents?

Skaggs: Some of them did, yes, my grandmother and my aunts and uncles; they all came later. But then my dad was, like most early immigrants, imbued with the idea that he should be in business for himself. He did work for another printer there for a while, in Ogden. I don't know why they left Salt Lake.

Then he went into partnership with another man. Capital was always a problem, of course, when you start in business, especially when you have to buy machinery. That lasted for a while. Then he went into business for himself. My dad was not a business man. He was good at what he did and what he knew the best. Everything was done in those days so differently from what it is now. The types and things, the old things, the satin ribbons with the gold embossed, real gold dusted on it for occasions like Pioneer Day.

I ordered some checks the other day from the bank, Wells Fargo. You get them all numbered and printed with your name on them and everything. I said to my brother, "It just made me think. I spent hours down at my dad's place of business on

Skaggs: Saturdays and after school. He printed the checks, and I sat there hour after hour with one of these stamping things, one, two, three, four."

Morris: Numbering them?

Skaggs: Unto this very day, if I'm putting away the silver or the plates, I count one, two, three. [laughter] It's automatic. Isn't that strange how those little things will stay with you all your life?

So many, many things have changed, of course, through a long lifetime like mine.

Of those stories my mother and dad would tell or talk about, we had the traditional, old-fashioned holidays and Christmases, and birthdays; we made a great deal of that.

Then the war came, World War I. My two uncles went; one was wounded and one was killed. The Herman Baker Post is named for him in the cemetery there in Ogden.

L. J. Skaggs and His Family: From Missouri to Idaho

Skaggs: The First World War, by that time, the women started to work. I stopped school and started to work. That's where I met my husband.

Morris: That would be in 1917?

Skaggs: About '17, '18, '19, yes. O. P. Skaggs had started this store there which was part of the Skaggs family business.

Morris: Both you and your husband came from large families?

Skaggs: Yes, he was one of six boys, and he had six sisters--a family of twelve different children. He was born in Newtonia, Missouri.

His father was a Baptist minister, the kind that was self-ordained and self-taught. He preached at his church and as guest preacher in other areas.

Morris: Their views of the world were different from the Mormon views of the world?

Skaggs: Well, Father Skaggs was very, very strict. Smoking, drinking, dancing, card playing, anything was wrong. The LDS people are not quite that strict; they dance; they believe in having fun, but they

Skaggs: don't drink or smoke as a rule. At least they shouldn't. We all know that isn't a part of their religion. They call it the Word of Wisdom. Of course, it is wise. We all know that now, not to smoke and to drink and do a lot of other things that are bad for us-- smoke marijuana, for instance.

So that was a very different experience for me. He had a very fascinating family, a large family. The older ones are gone now.

When the war ended, we were married. Then my husband started to work for his other brother, L. L. Skaggs in Rexburg, Idaho, which was a college town. I think it's Riggs College that's there, a little town of 3000 people at that time. It has grown now. They have quite an airplane factory, I think, developed there.

We lived there about eighteen months. Then his other brother, M. B. [Marion Barton] Skaggs wanted us to go with him to Portland, Oregon and start grocery stores which later developed into Safeway Stores.

Morris: Are all the brothers and sisters called by their initials?

Skaggs: Not the sisters, but the brothers.

Morris: Nobody ever called them Bill or Pete or Joe? It was always by their initials?

Skaggs: Well, the family, of course, called them by name--people that were intimate with them. Father Skaggs gave them rather odd names, I think, like Sylvester Aaron. So he was Jack to most people. Then Oscar Pepper, O. P., and Loren Lorenzo. How do you like that one?

My husband's name is Levi Juston. Now Levi is a good Bible name, but a lot of people think we are Jewish. And he's the only Juston that is spelled with an "o." The family said, "Well, Father Skaggs didn't know how to spell." I think in that period people did not have very much formal education, particularly girls, especially in those little villages in Missouri where they lived.

They came out to Idaho, then, and homesteaded. That's where the girls mostly grew up, and most of them married early. Mostly, I think, because that was the normal thing for girls to do.

Morris: Did Father Skaggs come along and continue to preach, or was it the sons who homesteaded?

Skaggs: No, the father--the boys were still quite young when they went to Idaho. The land at that time was being homesteaded there around Pocatello and Idaho Falls. Father Skaggs opened a store there, but preaching was what he mostly did.

Skaggs: Before my husband and I were married, his mother died; she died at fifty-three years of age. So I never knew her, and Father Skaggs married a woman who was also a widow whose husband had been a preacher. They had a church in Oklahoma.

My husband's mother came from Tennessee. The southern part sticks out all over them. They are just different people. They had the Negroes there, and they treated them like Negroes were treated in those days. They treated the women--the women were expected to do things that they don't do today.

I was of the western culture, you might say. I had come a long ways across the ocean; we'd made that big jump with hardly any interval in between.

II YOUTHFUL RECOLLECTIONS

Mother's Values

Morris: I was interested that you did chores in your father's business as a youngster. Did your brothers and sister do likewise?

Skaggs: I was the only girl and the oldest. Later on, my brother said, "Well, hell, I used to do that, too." And I said, "Well, I didn't know that." When I left home, he was only six years old. He was the youngest, and I was the oldest. There was a gap in there. There were two children born after we came to the United States, and he was the youngest one. My mother had six children.

Morris: That's quite a large family to bring up.

Skaggs: It wasn't considered such a family in those times, because children did not live to adulthood like they do now. I was talking to my sister-in-law, and her family was on a farm. Her mother lost five children with diphtheria within just a little more than a week. If you could get a baby through the first summer, you thought you had it made because they didn't know what caused these things. The sanitation wasn't there; the flies were terrible.

My dad printed the programs and the tickets for the theaters, and we had the road shows, and we had the movies. I went with my friends because I always had free tickets to the movies. I was quite young; I couldn't have been over seven. The theaters were giving anyone who would bring in five hundred flies a free ticket to the show.

We had a big two-story house with a porch all across the front, a wooden porch. We sat there, and we would entice the flies. We would spread sugar or syrup or something and kill the flies and, of course, counted them very faithfully, like little kids do. Of course, I know now nobody ever counted them. [laughter] It was ridiculous.

Morris: What a wonderful approach to public health. I love it.

Skaggs: We had outdoor plumbing; we had no electricity; there were no roads. To this day, I can hear my mother's voice. We had one main street, and we lived about two blocks off of that main street. In the winter it was mud and slush, and in the summer it was dust. And I can still hear her voice, "Don't come in here with those muddy feet."

One day I found myself standing in front of the Safeway store waiting for the door to open, and I was wiping my feet before I went in. I thought, now this is going too far. Early training, you see how important that is? People today think that it doesn't matter that they teach children. I can remember my mother saying so many things. (Of course, I was elected to help my mother, as you might well know, being the oldest.) She was pregnant a lot of the time, and then she helped the neighbors, like everybody did. I had things to do at home: I ironed; I helped my mother all I could. Washing in those days was not pushing buttons. I asked her one day, "Mama, do you think this is dirty enough to need to be washed?" She said, "If there is any question about, it needs to be washed."

Another time, I said, "Oh, this is just an old thing—no use in spending a lot of time ironing that." She said, "The older it is, the more you need to work on it to make it look good." You see, instilling these values that you can't shake; it makes it uncomfortable for some people. I have had friends and relatives—they're clean, but they're so untidy. You can't walk through the room; you can't find a chair to sit on. Everything is covered up. But it is the way they were brought up.

Country Life

Skaggs: They were people that lived in the country and on a rainy, cold day, the boots were drying in the oven and the little chickens were behind the stove. The mash was cooking on the stove for the chickens. The people that are brought up on a farm, you see, they don't have any place for those niceties. I'm talking about your average farmer, even a successful farmer. Even today, though they have their machinery, they have their sick animals; they go out. Now in Europe, they have the barns right with their homes, like in Switzerland and in Holland; they are cleaner than some people's houses. When you have animals, you take care of them, especially if it's your living; or if you have crops, the crops won't wait.

Skaggs: I was audited by the IRS [Internal Revenue Service] a couple of years ago--I have a man on the place that looks after things, and they said, "How many hours does he work?" That's what I'd like to know. When the leaves are coming down, like they are right now, he can never stop. Now he's cutting wood for the fireplace. And there's weeks and days when you can't get out or do anything. How many hours does he work? It's not like other forms of work. It's not a union job. Things are different.

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My father's sisters and his brothers--he had two sisters and two brothers--they all had family, and they would come to visit. That's another story. We had this old morris chair which was way before the recliners that we have now. They didn't go to hotels; they came to your house. I was the one to get to sleep in the morris chair because I was the smallest. I used to get so frustrated when these relatives would come, or somebody would come, and say, "Mary, you grow down like a cow's tail." I never grew. I have tall brothers. I was small like my dad; my dad was not very tall. My mother was taller than my dad. To say such things to little kids--I try not to do it. It's so easy to do. When you are by a little child, "How old are you?" The kids get awful tired of it. They get pretty irked.

Illness, Childbirth, Epidemics

Morris: So there were some girls your age for you to play with and be friends with?

Skaggs: I had a little sister, but she died quite young. That, too, wouldn't have happened today now that we have antibiotics and things like that. I had a very severe bout of scarlet fever; they nearly lost me. That frightened my mother so much that she would never let me out of her sight or do anything after that. So I was very much protected when I grew up.

Morris: That was a very serious illness.

Skaggs: Yes. When I had my first surgery, my doctor said, "It's very rare that you're not left either with hearing or heart impairment." I could remember that, too. There were sheets between the rooms, and my dad would peek in the window. You had a sign on your house.

Of course, the doctor would come in his horse and buggy and come to the house. The women didn't go to the hospital, except you went there to die.

- Morris: Was there a midwife that would help with the births when the baby came?
- Skaggs: I think the women mostly just helped each other; they may have had. You see, we were not taught these things. I didn't know my mother was going to have a baby. I was thirteen years old. They wore those great big aprons, and my mother was eighteen inches around the waist before she got older. They wore a full skirt, and then they wore a full apron with the tie back here. I didn't know she was going to have a baby. And when my cousin was born--they always sent you somewhere. If there was any conversation going on, it was always, "Mary, will you go and get me a handkerchief out of the bedroom?" Or something. You didn't get in on anything that was interesting.
- Morris: Even amongst the women?
- Skaggs: No, never. I never knew anything, ever. When I had my first period, it frightened me so, and all my mother told me was, "Well, now you are a young lady, and you should do this, and you should do that." And that's all the education I ever got. There was never any sex education. They would say, "When you get married, you'll find out about that."
- Morris: That's kind of awesome, isn't it?
- Skaggs: I don't know. Somehow we were protected, both by our environment and our parents and by our own instincts. I think about the fact that we didn't know and yet we somehow sensed danger like a little wild animal will.
- Morris: Sensed danger rather than--?
- Skaggs: And we knew what girls got into trouble. You can't keep that very quiet. They had the Crittenden Home in those days.
- Morris: In Utah, in Ogden?
- Skaggs: I don't know whether they had one there or not. They might have had in Salt Lake. Ogden was only 40,000 people then. When we first went there, it wasn't that big. I suppose it was 40,000 when I left there.
- Morris: But you do remember a Crittenden Home in the area?
- Skaggs: Well, we had one in Seattle, when we lived in Seattle, near where we lived.

Ogden was a railroad town, too. In a sense, we knew a lot of things that children don't know today. Nearly all the people worked for the railroad; they depended on it. When they got paid—

Skaggs: there were saloons all up and down from the depot on up Twenty-fifth Street; they either stopped and spent it all, or they would go home and gather up all the kids and go downtown and spend it all. At the end of the week, they would be over borrowing a cup of sugar. Or they would go home and beat their wives after they had spent it all downtown.

So there were battered women and all those things--and yet I didn't realize how much of that went on until we gave a grant for battered women. I didn't realize how bad it was.

Of course, divorce was unthinkable. And rouge and lipstick, oh, no. Even short sleeves or slippers, that wasn't quite the thing.

Morris: Was this still true by World War I?

Skaggs: No, that changed everything. The wars do do an awful lot of things. We went through that flu epidemic, of course, and there were masks. I escaped that, but people were dying around us like flies. That was just very, very frightening.

Morris: It must have been, and to have it going on all over the country.

Skaggs: And in England. They talk about the diseases we have now. This was so, so terrible; you just can't believe how terrible it was; it was a plague.

Morris: Yes, it must have seemed that way.

Skaggs: And I'm getting my flu shot tomorrow. [laughter]

And like polio, that was such a terrible, terrible scourge. And now we have AIDS [Acquired Immune Deficiency Syndrome] here. People say this is the worst thing we've ever had. Well, it isn't.

Morris: I have wondered about that.

Skaggs: When people died in Europe when they had the Black Plague, as they called it in those days, it just wiped out whole cities. They couldn't even bury the people. So it's not the worst thing.

Father's Fondness for Music and the Sea

Morris: Were your family busy with church matters too?

Skaggs: Yes, my dad sang in the choir, and my mother did, too. They both had good voices. That was our entertainment in those days. Everyone had a piano. If you could play or sing, that made you a star, no matter how squeaky your voice was.

My dad came to San Francisco with the Mormon Tabernacle Choir in 1915 when they had the exposition there. He brought me a little box; he got it down there at the Cliff House, I think--a little box lined with tufted satin; it was all covered with little bitsy sea shells.

He always had a nostalgia about the ocean, I guess, because Holland is, of course, surrounded by water. You get up into the Wasatch mountains, you have your streams and lakes; it's all there--Great Salt Lake, but it's not the ocean. When he came to visit me in Portland, one day he just seemed to disappear. When he finally came back, he said, "I walked down; I wanted to see the ships." He was in his seventies then. It was all of three or four miles, and he didn't know his way around town. I'm surprised he ever found his way back.

He did the same thing when he was visiting me out at the ranch. All of a sudden, one day, I said, "Mom, I haven't seen Dad for the longest time. What has happened to him?" She said, "Oh, he probably went for a walk." So later I found him lying out in the lawn swing with his shoes off. I said, "Dad, where have you been?" He said, "I walked to Middletown." That was nearly three miles on a very dangerous, narrow highway. I said, "Good heavens, what did you do there?" He said, "Went to visit the printer there; he brought me back."

You see, he told me one day, "Mary, I'm so lucky; my business and my hobby are one and the same thing." My mother would say, "Mary, don't you have a newspaper for your dad?" I'd say, "Oh, Mom, it's three days old, at least." She said, "That doesn't matter--just so he has a paper."

He just loved--oh, it was awful hard to make him quit working.

Morris: I believe it. Printers tend to be really devoted to their craft.

Skaggs: The one thing I regret--he made one visit out here, and we were out at the ranch. He wanted to come to San Francisco because he had been here that time in 1915. I said to Mom, "That's OK. We'll drive in. We can stay at the hotel." I couldn't get her interested. She wasn't quite in sympathy with it. And I'm always sorry that I wasn't more aggressive and didn't take him, because I didn't realize how much it meant to him until later.

Morris: You and Dad come to San Francisco and have somebody keep your mom company?

Skaggs: Yes, I could have done that, too. No, I just kind of dropped it.

Morris: Did your mother and father teach you to sing and the other children?

Skaggs: Oh, everybody sang, yes. In church and at home, too.

I have a nephew whose wife is quite musical. She plays organ in church and piano, and she's always giving her children lessons in other instruments. She got so excited when we found some old music, my dad's sheet music, that my dad had used long ago. He would sing at funerals. [laughter] Always these songs like "Asleep in the Deep." He was a little man, but he sang bass. That's difficult, too. He had small hands, small feet, small man.

Morris: What was his name?

Skaggs: Klaas Dee. We Americanized it to Charles.

"Little Time to Play"

Skaggs: In those days, you were named for your mother and your grandmother, on either side of the family. I was named for my grandmother and my mother--Maria Cornelia. My mother's name was Cornelia Van Dyke and Marie was my grandmother's name. We changed it to Mary.

My mother would never (that's another thing I regret, too) let us speak Dutch at home. I had to speak Dutch to my grandmother; she didn't ever quite learn English. She was older; we thought she was horribly old, but she wasn't. That was the way older women were then--black clothes, like Queen Victoria. Sit in a rocking chair, sober.

Morris: Isn't it nice one can wear bright red and green nowadays? That red dress is very becoming on you.

Skaggs: Well, my mother would never let me wear red when I was a child. That wasn't nice. The nearest I ever came to having anything like that was navy blue with maroon piping.

Morris: Children wore black also?

Skaggs: No, they didn't wear black, but red was considered only for show people; it wasn't considered quite the thing. A white dress.

I was watching a thing from Salem, Oregon last night. Of course, we lived in Oregon for a long time. When we were with Safeway, we were there in Oregon. We lived in Portland for

Skaggs: twenty-five years or more. I just happened to tune in on this program, and they were showing artifacts and old clothes and things from Salem, which is the capital. I was so interested in that. You just don't think of any of those things as being of any importance at the time.

Morris: When you are doing them, it's just everyday?

Skaggs: And the different ways of thinking and the customs. The schools put on an operetta in one town; they called it Orpheum Theater. There were children selected from each school. You know how they do these things. I was one of those in the chorus. [laughter] I was supposed to be a Japanese. I think it was "Madame Butterfly" or something, I forget. I had a Japanese kimono anyway. We did have some make-up on, and there was this one girl. She was the Marilyn Monroe of our class, dimples, blonde, and she was smart, too. We all envied her. She took her mother's pink nail polish (you couldn't polish your nails) and used cake coloring on her lips.

Morris: Oh, wonderful! Off stage, too, or just for the play?

Skaggs: She was just, while we were getting ready, showing off.

Morris: The schools sound like they did some nice things. Did you do an operetta every year?

Skaggs: That was the only one I was ever in.

Morris: Was school very small in Ogden, or were there lots of children in the school?

Skaggs: I really couldn't answer that. I liked school, and school was easy for me. I never studied at home. I took all my books, just so the boys could carry them mostly. [laughter] I didn't have time to study at home. My mother made the remark one time, "Poor, Mary, she never had any time to play." I would be in doing the dishes in the evening. I could hear the children outdoors playing; they had a long twilight there in the mountain country. They would play Pom Pom Pullaway and Run Sheep Run, Kick the Can--well, the different games.

I had to put my little brother to sleep after I got the dishes done. I think he was nearly asleep. He was trying to get up very, very cautiously, and then he's, pop, up again. That was no play for me. By the time he actually got to sleep, I'd hear the mothers outside saying, "Johnny"--calling in the neighborhood group all out there playing baseball or whatever it was they played, mostly games.

Skaggs: I had a slate with a slate pencil. I had a hoop. We did many, many things in my family because my dad had all the pretty colored papers at his shops. He would bring them home, and we would make the Christmas trimmings, all those different things.

Morris: Those are very special fine printing papers for wonderful things?

Skaggs: Oh, yes. And there were always trimmings. That, too, is a difficult job. Everything had to be just true and exact and hand-done. When my dad was in the hospital, when he was delirious, I said to my Mom, "I wonder what's the matter with Dad? He's just lying there and going like this all the time with his hands." She said, "Oh, Mary, you silly, he's setting type."

Stupid, I couldn't connect the two together.

Brothers

Morris: Your brothers didn't do a turn with the chores, either at home or in the print shop?

Skaggs: You see, I left home when I was nineteen. They were all younger; they did things, I suppose, that boys do. I don't know.

Morris: You'd think that the boys would really be down there at the print shop, at least sweeping the floor.

Skaggs: Right now, the nephews are running the shop.

Morris: It's still in the family?

Skaggs: Oh, yes. My brothers all had sort of a fling at it, you might say. My mother brought my youngest brother (He's the only one I have left now) to San Francisco to learn linotype, and she stayed down here with him for quite a long period. She told me that they could get a pass on the streetcars and ride all day for, I forget how much. She stayed. You see how we were protected. She did not send him down here alone.

Morris: Was he about fourteen, then, apprentice age?

Skaggs: I don't know how old he was really. He married at sixteen, so he must have been pretty young. He's in computer stuff now; he has that kind of mind. And then he went back to Washington, D.C. after he was married, and they had two children. Then they came back. He was with the government, and then he came back and had a purchasing something or other job. He traveled a great deal. He would go to Boeing and all the air plants and things. Then they

Skaggs: were transferred to Japan, and their child became very ill over there. He got what they call the Hong Kong flu or something. Anyway, it's the smog they have there. They were afraid they would lose him. He had it twice.

So they came back to the states, and he worked about twenty-two years. He had about fifty men that worked under him at the Hill Air Force Base between Ogden and Salt Lake, which is the air terminal there. He was working for his twenty-five year retirement when he had a stroke. He recovered from that, went back to work again, had a second stroke. The doctor says, "This is it. Either you quit work—" and he hasn't worked now for the last, oh, I don't know how many years it is.

Morris: Is he in the military?

Skaggs: No, he was a civilian.

Morris: I think a lot of people don't realize how many civilian employees there are.

Skaggs: Ogden, like I say, used to be a railroad town. Now it is government. It's IRS. Everybody works for the IRS. I'm working for the IRS, too, I think. [laughter] No, they are actually employed; they do all the taxes.

Helping in the Print Shop; Neighbors; Later Interest in Theater, Travel

Morris: Was it a big fuss for your family when you went to work outside the family print shop?

Skaggs: Oh, no. No. I don't know that I was even paid.

Morris: For helping in the print shop?

Skaggs: Oh, my dad would give me some money to go get lunch or whatever. We didn't have allowances like kids do today. If you wanted anything, you worked for it. My mother would offer my services to the neighbors for babysitting. All I got was a smile and a thank you.

I remember one time in particular which still haunts me--there were a couple of times I wasn't a very good babysitter. The woman had just made a pecan-icing cake. She said, "Now, you help yourself to the cake. We won't be very late." Well, it got later and later and later, and I kept nibbling away at this cake like a little mouse. I don't think there was much left when she came home. [laughter] I was trying to keep awake. Kids are always hungry.

Morris: Did the churches have hospitals attached?

Skaggs: Oh, the LDS hospital was the big hospital--still is in Ogden. And the university hospital in Salt Lake. It's famous now. They do all these modern transplants and things of that type. They are very well-known for their work now.

They were always big, too, in promoting theatrical productions. I saw opera and things like that. Right from the beginning, they've always had people come there to Salt Lake. I remember one was the "Girl of the Golden West."

We had the road shows, "East Lynn," all the different ones, "Uncle Tom's Cabin," "Jimmy Valentine." I love theater. We used to go to San Francisco when they had matinees on Wednesday. I could always get a seat because somebody had not arrived. I would never get to see the last act because I wanted to get back on the bus over to Oakland before my husband got back to the hotel. We always stayed at the hotel until we got this apartment.

Hotels got impossible. They were impossible to start with, but they got worse as time went on. We were making so many trips back and forth. We had a boat up in Alaska. My husband is a very ardent fisherman and hunterperson. We just had to have a place where we could stop. We used it as kind of like a hotel. We never expected to live here or anything.

Mother's Advanced Ideas

Morris: When you were growing up, were your mother or father active with the theater group, or with the hospital in getting better health care?

Skaggs: No, no, my mother wouldn't go to the hospital for her first gall bladder attack because her mother had died in surgery. It was the same kind of surgery, and the doctor didn't have a very good reputation, but they had no anesthetics and antibiotics like they do today. It was primitive. My mother had rather advanced ideas in some things, but not because of science, because of experience. She boiled all the milk, not because she thought it killed the bacteria. It wouldn't keep; we didn't ever have refrigeration.

We boiled everything; everything was boiled to a fare-thee-well. Clothes and everything else. I'm not so sure that the clothes are as clean today when they just go through the Maytag, as they used to be, with the detergent. I have never patronized some of these coin laundries, though I have sent laundry out. And then

Skaggs: I see it all piled together with the greasy, oily workman's clothes, all the white sheets and all the rest of it. It comes back all torn and dingier.

When we washed in the old days and hung it out on the line, and it'd freeze out there. Oh, they would smell good.

Morris: Bringing the clothes in off the line on a January day is kind of a hard chore if you were a youngster.

Maybe next time we can talk a little bit more about your husband and some of the community things that you were interested in together. I understand you worked with him in the company.

III LIFE WITH L. J. SKAGGS

[Date of Interview, March 1988]##

Recollections of Skaggs and Pay Less Stores Days

Skaggs: Looking at this fiftieth-year report of the Safeway Stores, we have a picture here of the six boys. It gives Jack's name as S. A., not A. S., and he may have had it changed, or it might have just been a family joke. You just don't know how these things start. You have a fat kid around; they call him Slim.

I just happened to be glancing through this because all our connections go back with the Safeway group—all the Skaggs Stores and the Skaggs family. It gives a resume there of the Skaggs family which is probably is a better one than I have given you.

It isn't all about the Skaggs family: it is about Safeway, of course. It shows M. B. Skaggs's first store here. The picture is interesting. I hadn't looked at this for a long time. I was just throwing away magazines and ran across it. (I have thrown away so many things that I wish I had kept, but you don't realize their importance at the time.) There are pictures of the Safeway executives, including the brother, M. B. Skaggs, who started Safeway.

Just see the way they did business in those days, compared to now, and yet they were the leaders of their time. The pictures of the trucks, the pictures of the stores, and the pictures of the warehouse. It's just unbelievable how much change we have gone through in merchandising. This is the way they used to bring the coffee around, you see.

Morris: On a horse and wagon.

Skaggs: Safeway coffee. You know how famous Safeway coffee is; everybody buys Safeway coffee; except me, I buy Folgers.

- Morris: The Skaggs brothers did business with Japan in 1925? They had their own packing plant?
- Skaggs: Oh, yes. If you have the time to read it, it is quite informative.
- Morris: It's amazing the way so many different small organizations became a part of Safeway.
- Skaggs: A lot of the things that are going on now, and the things that we're doing in the foundation, too, I know that my husband wouldn't have approved of them then, but now in twenty years, the whole world has changed. In the first place, we began on cash and carry. That was the motto. Today, everything is credit and do-it-yourself—it's still carry. [laughter]
- Morris: I wanted to pick up where we left off last time. You and Mr. Skaggs had just gotten married. I wondered if nineteen was very young in those days, or was it about the right age for somebody to get married?
- Skaggs: All the girls were getting married because the boys were going off to war. It was your patriotic duty and the women went to work and they got married and provided for the next generation with children. I didn't want to get married. I was happy the way I was. I had two suitors--couldn't decide between them. Finally, they met in front of my house. My dad got annoyed. He said, "Now you make up your mind. I've had enough of this." [laughter] He was the father, you know. That was the norm in those days.
- Morris: One of those chummy gentlemen was Mr. Skaggs?
- Skaggs: I chose Mr. Skaggs. He joined, and you know, you had your choice: You could join, or you could be drafted--wait till your number came out. So he joined. He was just ready to be sent overseas when the war ended, and so he never saw service. His brother, L. S., did. He was over there all during the war. He's father of the nephew, also L. S. Skaggs--called Sam--that has the Pay Less stores in Salt Lake and is all over the United States now. He has done extremely well--just acquired the Lucky chain.

There is just so much. We can't just talk about it all because it has nothing to do with our foundation, really. Sometimes it's hard for me to remember even why we did some of the things. Then it comes back to me, like when my sister-in-law said, "Mary, why do you sign Mary C. Skaggs?" I thought, well, why do I? I thought back how it all happened. It was an error that was made long ago, too hard to correct. There was already a Mary Dona Skaggs that had a foundation going, which was M. B.'s daughter-in-law and M. B.'s foundation. We just left it that way, you see. My family and the people who had known me, my maiden name was Dee. So you see Mary C. Skaggs was a little bit--but now everybody chooses a

Skaggs: name, whatever they want. No one seems to think much about it now, but ten years ago, they did. This women's lib; it has done so much.

Business Travels Together

Morris: Well, you were a working wife.

Skaggs: No, I wasn't a working wife, at least, I wasn't paid. No, my husband would make the living. He was only angry with me, I think, twice. We were married years, and was one of those innocent things, too. We were still living in Rexburg [Oregon]. I went back to visit my family, and they had the barter system. People would owe my father money, and he'd take it out in what they call trade. Of course, this was before the present tax problems. We didn't have very much money.

The best women's store there in Ogden owed him money, and all three of us went shopping, my mother and he and I. My mother was getting things, and she still hadn't exhausted the amount that they owed him, so he turned around to me and said, "Mary, isn't there something you want? You might as well get something. It's the only way I'm going to get money out of these people." So I bought a little coat. My husband was so angry: "I'll buy your clothes."

Morris: He liked to shop for you?

Skaggs: Well, yes, if I didn't buy it myself, he'd go and get it for me. He did that and got me a lot of things that I didn't particularly want or care about. He never would even look at a price tag. If he liked it, "I'll take it." That was the first thing I knew—We balanced each other quite nicely. He said I was the stingiest woman in all of California. Tightest, that's what he told Mr. Anglin who made our wills. Mr. Anglin wanted to put a clause in it for my protection. He said, "Don't worry about her; she is the tightest woman in all of California."

Morris: Was it company policy in those early days for there to be support for local activities in the towns where there were Skaggs's Stores?

Skaggs: Personally, we didn't have anything to give away. We were getting \$18 a week and 30 percent of the profits. We saved our first thousand dollars there. Then when Safeway was formed, we bought stock.

The income taxes were just beginning, and Mr. M. B. Skaggs, who started this, just cried his eyes out because he had to pay 3 percent income tax.

Morris: I remember reading that that was a real issue at the time.

Skaggs: So he made his money before the government was taking it away.

Morris: When did you move from Ogden to Oregon?

Skaggs: We went from Ogden to Rexburg when I was married, you see, and worked for L. L. Skaggs there. Then M. B. wanted us to go with him to Portland, Oregon, and we went there. For about ten years, we put in stores for him. My husband was division manager for that area, and then we went back to the Middle West, and he was division manager back there. We were back there about three years, and we put stores in all those towns, through the Middle West, and Colorado. Utah was already [developed] because that's where O. P. had his stores. We didn't infringe on anybody else's territory in the family. That wouldn't be nice.

We were in Seattle and that territory. It's hard for me to keep it all in sequence. Then we went back to Portland and settled down, built a house.

Morris: Did you travel with your husband when he was deciding where to locate all these stores?

Skaggs: Yes, I went everywhere with him.

Morris: Did you do some of the paperwork for starting all of these stores and things like that?

Skaggs: In the early days, like when we put a store in the Pendleton-LeGrand-Walla Walla area (we put stores in all those towns) and in Yakima, Washington, we would have ads printed and we would fold them up. Then we would go around to all the mailboxes in the country, way out where the farmers were harvesting their wheat and push them in the mailboxes. That was our advertising.

Morris: Great. So you were out there helping to stuff them in the mailboxes?

Skaggs: Oh, sure. And folding them. That was natural enough for me because being a printer's daughter, I had done quite a bit of folding. All these actions become automatic to you. We stayed in Portland there, though, when we opened our first Pay Less Drug Store in Sacramento. We opened a store in Oakland and other places.

Homes in Portland, Oregon, and Lake County, California

Morris: That's coming up into the 1950s if I'm right. At that point, did you keep the house in Portland?

Skaggs: Yes, that was our legal residence, but we bought this ranch in the thirties, and we spent a lot of time here. It got to the point where we had to watch very carefully because you have to spend six months in Oregon to be legal. We were getting near the borderline. By that time we were involved in business in four states. The attorneys kept saying, "You cannot afford it if anything happened to either one of you, you would just be wiped out," what with taxes, federal and state in four places. So we kept postponing it, postponing moving.

We liked it down here, but Portland was our home. We had lived in that house for twenty-five years. We'd come down here, and we'd drive around like Walnut Creek, Livermore, and Danville, and San Jose, and Santa Rosa, and all those places. We'd see lovely places, and we'd think, well, now this might be a pretty good place, and come back a few months later, a year later, there'd be freeways and supermarkets. Everything had changed. This went on and on until we looked at a place near Calistoga.

What we were trying to do was get away from the two homes and get settled sort of permanently for our old age. We were on our way up the mountain here [St. Helena], and I turned to my husband, and I said, "What's the matter with us; we've got a place. Why are we looking for a place? We looked down here at Calistoga; you wouldn't give up the ranch? We'd still have two places."

Morris: Half an hour away from each other?

Skaggs: Yes. Of course, in the old days, we'd tear up everything, put everything away, air everything, clean everything, send the silver to the jewelry store to be stored--just work, work, work. It was getting too much, and then the long drive and unpacking at this end and guests waiting on your doorstep, usually. So he turned around to me and said, "What are you talking about?"

At that time, we had a lot more land than I have now. I have 1700 acres now. We owned land across the highway and down Butts Canyon Road. He said, "Would you live up there?" I said, "Well, yes. At least no one would get too close to us. We know what the weather is like the year 'round." He loved it here. We had been here at every season for years and years. That is the thing that happens so often with people. I learned my lesson there.

Skaggs: I had relatives; they spent years going around visiting all the retirement areas. He was a professor at the University of Denver. They wanted a place to settle. Well, they drove and they drove, and they looked and they looked, and either the places were too expensive, or they didn't like the climate. There was something that was wrong. So they settled on Santa Rosa. They were two of the unhappiest people that you ever saw. They didn't realize (they looked at Santa Rosa in the spring and the summer) that there's fog and cold. He had a heart condition, and he got so depressed.

After about seven years, and people around them all older people dying off and getting sick, he got so depressed they decided to go back to Denver. After seven years, Denver wasn't the same as he'd left it either. It was just downhill all the way. I talked to her Sunday, and she's flat on her back with osteoporosis. He died shortly after they got up there. The whole thing was a mistake. People do that. Real estate. It just changes hands. Every spring, people come up here, the birds singing. When we bought our house in Portland, too, we fell in love with the house. It was out toward the golf course and quite some distance out of Portland proper, and you had to drive a curved, old-fashioned road. It was in the trees, and it was lovely. Like I say, the birds were singing, and the setting was gorgeous.

Well, then when winter comes, with the fog and the rain and the ice, and you have to get to work and to school, etc., we couldn't quite make up our minds. At that time, I had been driving, but I hadn't really done any city driving. I got my first car when we were back in Nebraska, a little Chevrolet. No one taught me how to drive. My husband just brought it home and gave it to me. I cried. I didn't want the darn thing.

I would arrange with a friend who lived near (she was part of the organization) who did drive. I'd drive it down to her place, and then she'd drive it the rest of the way. That's the way we would function.

Civic Interests; Mr. Skaggs's Diabetes

Morris: When you were in Portland, did you and Mr. Skaggs have an interest in some of the cultural or civic doings?

Skaggs: Well, we supported the Children's Diabetic Camp. That was one of our first really public, you might say, endeavors.

Morris: In the Portland area?

Skaggs: In Portland, out there at the camp, they made a plaque and put it up for him, they tell me. You see, he was diabetic.

Morris: All along?

Skaggs: Well, he didn't find out that he was diabetic till he was about forty years old.

Morris: That's the kind that comes on as you get older?

Skaggs: He didn't really go into insulin until maybe it was too late, but you wouldn't believe how little it was understood at that time, along about (you see, he's nine months older than I am) it must have been 1941. It began slowly like most things do. He was sitting like we are now, and he was going on a hunting trip. He loved to hunt and fish and did a lot of that. He said, "You know, you look fuzzy to me. I'm afraid I'm not going to be able to hit anything when I go on this trip."

I said, "Well, maybe you need your glasses changed. Go up and see the eye doctor." So he did, and the eye doctor said, "Mr. Skaggs, this is not normal failing vision. You go and get checked up at the clinic." So he did. The clinic said, "Mr. Skaggs, you go to the hospital and see Dr. Holcomb; he's the authority and writes the books and gives classes." So he did, and he told him he had diabetes.

He came home from that visit to the hospital. I never saw anybody so stricken. I said, "What on earth?" You'd have thought he'd been given a death sentence for the next morning. He took it very hard.

Morris: It was very frightening when they didn't know anything about it.

Skaggs: It was very clumsy in those days, too. They didn't have all those disposable things that you do now. I took the classes at the hospital about it. We fought it tooth and toenail. He could still eat, and they said that you could have fruit. Well, he never cared for sweets anyway, but that isn't what does it.

Mr. [Terence] McEwen, you probably read in the paper, is leaving our [San Francisco] opera group now. He had twenty years of diabetes. I didn't know that about him either. I knew he had diabetes recently because he was going to the same doctor that is on our board and was my husband's doctor finally. If we could have gotten to Dr. [[Peter H.] Forsham earlier, things might have turned out a little differently, but it's hard to say.

Morris: How did you get to know about the children's camp?

Skaggs: I don't know, but my husband was well-acquainted with all the business people in Portland, both in our own organization and men's clubs. He seemed to know an awful lot of people, the bankers, people like that. They're all into all these things.

I used to go to the concerts with a friend. Our husbands were in business. They were obligated to buy tickets. What are you going to do with them? Her husband would rather go to the club and play bridge. So he'd pick us up, and my husband preferred to stay home and go to sleep. Diabetics do need a lot of sleep. We would go together, and her husband would take us.

Morris: In San Francisco?

Skaggs: In Portland.

Morris: So your husband kind of left the cultural things to you? That was your area of interest?

Skaggs: Not all of it. Our daughter was very interested in those things. When you have children, you just naturally—

Morris: When did your daughter come along?

Skaggs: She was born in 1925 in Seattle, in September. She was Virginia Louise Skaggs.

Morris: Did you take her along on your travels?

Skaggs: Until she went to school, yes. That's when we bought our house, when she had to go to school. Well, we rented for about eighteen months while our house was building. She was back with us in the Middle Western Division district.

Morris: Did the stores have a policy of making contributions to local activities when you were expanding there in Oregon?

Skaggs: Well, I presume they did. You don't pay any attention to what the people are doing.

Morris: He didn't come home and talk about it?

Skaggs: I don't think so. It's just like all the things. The Girl Scouts sold cookies, and the PTA, and you just do those things and forget them. It doesn't have a lot of significance. Everybody does it.

IV STARTING THE L. J. SKAGGS AND MARY C. SKAGGS FOUNDATIONS, 1966

Personal Giving

Morris: When did he begin to think about setting up a foundation?

Skaggs: When we went public. That immediately involved a great deal of money. Then what do you do with that? You either keep it for yourself, or give it away, or are you going to spend it? Money is a responsibility.

Morris: Some people solve that by building a hospital or a museum.

Skaggs: We considered a number of things and discovered that most of those people had more money than they knew what to do with. Like the Boy Scouts and Salvation Army. Well, heck, we did contribute to the Salvation Army. I'm still getting letters and awards back here, twenty-five year or something or other contributor to this and that. He was always giving. We just didn't pay too much attention to it.

Like when we went up to Alaska, my husband did an awful lot of personal giving. When we would get our fish, we would take it to the old fishermen's home. They couldn't afford to buy fish. Or the children's home up there. He bought washers and dryers for them, and you know, everywhere we just did it, always did it, wherever we were. When I went up to Alaska the first time, we got this sixty-foot Stevens, a boat, and I went up there. Of course, my husband had been going there for years. All the women in the place came down to see us come in, which is what people do anyway when you are isolated like that.

Morris: Those tiny villages?

Skaggs: Yes, and islands. The only way they can get out is by plane or boat. I saw all the women down there. Of course, right away, one woman said, "Oh, your husband bought me a hair dryer," or "Your husband bought me a this or a this." That was just what he always

Skaggs: did. He never came in the back door without something for me. Also in 1950, he gave a sizable contribution for a cabin shelter for a volunteer rescue squad in Ketchikan. They do many rescues and many lives are saved every year. He never came in the back door without something for me.

Even if it was just a box of strawberries, or some sweet rolls, or anything new that was in the stores. He bought me this clock. He brought me a microwave oven, and I wasn't nice about it. I said, "Take it away, I'm afraid of it." I have got enough stuff around here, and I'm not in a hurry. I can spend all day cooking if I want to. I'm not going any place. I still don't want one, though a lot of people like them. I guess they have their uses, but you get more and more cooking equipment and less and less cooking done.

Morris: I know that feeling.

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Morris: Did the lawyers also suggest that a foundation would be a good thing to do?

Skaggs: No, they had nothing to do with that.

Morris: Did you talk to other people who had started their own family foundation?

Skaggs: I really don't know, but my husband never did anything without consulting everyone that he could ever find. He never did. After thinking it all through and talking to everybody that might have some knowledge, then he would come and talk about it to me to get my opinion and find the flaws in it. We did that even when we employed people years and years ago. He never employed anybody without the wife and husband together. If she wasn't willing to make the sacrifices, which they had to do in those days--there's no union--if she didn't want to leave home and mother, he wasn't hired.

They were opening these new districts. That was the system, as you probably understand, in the Safeway group. Employees began in the back room, and they worked their way up until they got up to be store manager, and then when a new store opened up, they were the manager, and then he had his assistant manager, etc.

Morris: The managers are always trained from within the company?

Skaggs: Yes. It explains that very nicely in the booklet that I gave you, better than I can do it. That was something to work for because they got a 30 percent, always, of the profits. We always did that for our Pay Less Store people, too. I don't know whether they

Skaggs: had a guaranteed salary and profits or not. It has been quite some time now since I have had any connection. A good many of them left and started businesses of their own. A good many of the men that worked with my husband still are in business, or their children are. Some of them failed miserably. It takes more than money to run a business.

Need for Diabetes Research

Morris: What kinds of pros and cons did you and your husband talk about when he was thinking about starting a foundation?

Skaggs: Well, we finally settled on the only thing that we knew was needed. Cancer research, heart research, all these national things, at that time, polio, all those things, had big, big wealthy contributors. Like the children's camp. He felt so sorry for those little children to spend their lives struggling with diabetes. He always was a great one for the children, anyway. He always rounded up all the kids in the neighborhood and took them to the park and things like that.

He felt particularly sorry for the young people, and so he thought if they could just develop something in the diabetic field—and he asked me what I thought about that. I thought that was an excellent idea. So our first grant was made to Dr. Forsham at the University [of California, San Francisco.]

Morris: How long had you been acquainted with Dr. Forsham?

Skaggs: Well, only since he'd been taking care of my husband, which wasn't terribly long.

Legal Advice

Morris: The date I have is that the first grant was made in 1967, and the paperwork was done in 1966. How did it happen that Mr. [Philip] Jelley did the legal work in drawing up the papers? Was he already an attorney for the firm or your personal attorney?

Skaggs: Well, we had been with that firm when Mr. Jelley came fresh from law school and entered at the bottom of that class. Now, of course, he is at the top.

Skaggs: We were already clients of Fitzgerald, Abbott, and Beardsley. Mr. Anglim, Mr. Kelley, Mr. [Stacy] Dobrizensky, and all those people who were later on their letterhead were people that we had dealt with. Mr. [R. M.] Fitzgerald was in his nineties--he would be in the office but not active.

At the time James Soper and Philip Jelley entered the firm, the law firms were combing the universities for their promising students. He had no trouble at all. He went straight from his law school into this big firm. He never had looked for a job.

Morris: Is he a California young fellow? Did he go to law school here?

Skaggs: No, his father is an admiral, and he was brought up in Washington, D.C. Mr. Jelley told me that you have all our annual reports, and I think it tells a little bit about his life in one of those. He went to Yale, but he started in Jesuit school. I can't think of the name of it now, back there in Washington when he was a little boy. Maybe he went to Stanford. I'm not sure. They are a corporation now.

Financial Matters; Family Memories

Morris: In reading the annual reports, I noticed that the plan is quite elaborate—over a fifty-year period to convey the endowment to the foundation. Is that something that Mr. Jelley suggested, or did you and your husband work that out?

Skaggs: No, my husband put a sort of termination on it. It's not to go on in perpetuity, as the lawyers call it. It's to be phased out, gradually. You can't just leave a lot of these people dangling, you know, once you've promised them something. It does take time to go through all these--I had a conversation with Mr. Jelley about that not long ago.

I said, "Well, now here I am eighty-eight. I'm not going to be around forever, and what's going to happen here? Who is going to be president?" He is the secretary now. We have lost one of our board members, Mr. [Stephen J.] McKee, and I feel very bad about that, from the Bank of California, because I always looked to him. He's an older man. His father was a banker, and his grandfather was a banker. I depended on him. The rest of them get a little carried away being younger, especially the younger ones. It's so much fun to play with other people's money anyway.

It's like buying things on credit; it doesn't hurt nearly so much, or get money from the machines when you go to the bank. It's so much fun; it's like it's all for free.

Morris: Do you look at it as other people's money?

Skaggs: I don't really consider it my money, no. I have given it. I find that with myself so much. People say, oh, you gave this, you gave this. I think, I guess I did—forgot about that. Once it's done, I forget it.

Morris: That's an interesting distinction. I understand that a lot of people are not comfortable making that decision.

Skaggs: It's only recently that it has really come home to me, and I thought, by gosh, they owe me. I never considered that before. I don't know how many children we put through college.

Morris: Just as a matter of your personal generosity?

Skaggs: Yes, nothing to do with the foundation, even long ago. We have always supported somebody, just within our means.

Morris: Is that because your husband was raised in a minister's family, and you have been raised a Mormon?

Skaggs: Well, I suppose. It's hard to understand how people are motivated. When I think how they used to live when he was a child, the youngest, their lives were so different from my own. We made a big fuss over all the holidays. The Skaggs family they never had Christmas or a Christmas tree. [They had] the missionary barrel and the hand-me-downs and the things like that and eating at the second table and the best for company.

Morris: You were just expected to offer hospitality?

Skaggs: Well, restaurants, hotels and public facilities did not exist, except in very large cities.

And the minister, of course, he didn't really just wander around looking for somebody to preach to. He would be invited to other communities as a guest to preach for that day, or even just to visit. The ministry is just like any other business. They associate and cooperate and have their group that they gather with and enjoy and trade ideas and all that sort of thing. I know we were quite disappointed, my sister-in-law and I—we spent some time in San Francisco. We stayed on top of the hill there at the Fairmont [Hotel.] It was Sunday, and I said, let's go hear Reverend Pike.

Morris: James Pike, the Episcopal minister.

Skaggs: The one who got lost in the wilderness.

Skaggs: She said, "Well, I haven't got a hat." I said, "Well, I've got more than one hat." In those days, we carried hat boxes. I said, "You just wear one of my hats." In those days, you had to wear a hat. You see how things change? Nobody cares. We went over and to our disappointment, he wasn't there that day. They had an old man up there. You couldn't understand what he said, hardly. It was very uninteresting. To console ourselves, we had a champagne breakfast at the Fairmont after the service.

Morris: That's a nice combination. Did you get to hear Reverend Pike on another occasion?

Skaggs: Never, at least not at the church. If I ever heard him on the radio, I don't remember.

Morris: But you had heard about him and were interested in what kind of a person he might be?

Skaggs: Well, it was in all the papers. You see, you are too young to understand, to remember all these things.

I wanted to show you this picture, just before we left Holland.

Morris: That's lovely.

Skaggs: I'm the little girl there.

Morris: Holding the pretty doll?

Skaggs: I screamed like a banshee when they took it away from me. I thought it was mine, it was just a prop for the photographer.

Morris: How unkind of them. What a nice looking family.

Skaggs: You see how young they were.

Morris: Yes, four pretty children. Did they give you a doll afterwards when they saw how much it meant to you?

Skaggs: I don't remember. People say they remember. I know the Skaggses, too, they always pride themselves on their memory. I think part of that memory is because they had a big family, and the whole thing was rehashed, over and over and over, for themselves and their company and maybe exaggerated a bit, too. They begin to think it's their memory. It's hard to know where memory ends or begins.

Morris: Yes, that's something we talk a lot about in oral history.

Skaggs: People that make claims that they can remember when they were three years old—I do not believe it. There are geniuses, but not that many.

Laws and Regulations; The Buck Trust

Morris: When the foundation was being drawn up, there was the idea that there should be a Pay Less officer as one of the trustees, too.

Skaggs: Yes, there were laws passed that that wasn't legal, and we had to change it. A lot of things became law that didn't exist before, shortly after we began the foundation. After my husband died, particularly, the whole thing got to the point where you couldn't do anything that you really wanted to do without there being a law. They passed laws so often and so much that Mr. Jelley spent, I know, one year, two whole days over in Sacramento, just catching up with the new laws.

Then when they got into all this trouble with the Buck Foundation, that upset the whole applecart for everybody, too. I just got their annual report this week.

Morris: The San Francisco Foundation's report?

Skaggs: Yes, that was the Buck Foundation. Poor Mrs. [Beryl] Buck, she didn't realize what she was getting into, either. There wasn't anything like that in her mind.

Morris: I'm not clear. How did the Buck Foundation matter upset the applecart?

Skaggs: Well, she made this will that it was to be for the Marin area exclusively. She didn't know they were going to find oil on her property. Then, of course, when they did, there was so doggone much money, and for years and years and years they have been fighting over this money. Mr. Jelley and Mr. Soper, too, spent days and days over there in the courts. It has been in all the papers, about three or four years, maybe five years, it has been going through the law courts. They just got it settled, finally. What the settlement was would influence all other foundations, just like the government pulling back on giving to all the things that they were giving. That has affected our foundation giving so much.

You are just not independent. It gets less and less. Then the [1987] stock market crash, that has changed a lot of ideas on foundation giving.

Morris: How so?

Skaggs: By golly, the money isn't there. We had a few anxious moments, too. This money had been committed ahead. You take half a million just alone, you know, for the [University of Santa Clara] chair. It's a lot of money. The money is invested, and if it doesn't produce, no income. What are you going to do?

Bank of California Trustees; Other Board Members

- Morris: Does the Bank of California handle the investment side? I wondered about the fact that there had been a Bank of California officer on the trustees.
- Skaggs: Well, he handles my trust. I have been getting ready for Mr. Jelley to come up. He's coming up on the taxes in about a couple of weeks. Well, it's in the annual report.
- Morris: I looked at it there, and I wondered if the Bank of California had an oversight role?
- Skaggs: We have the accountants, of course, Kidder Peabody. That's what our next meeting is about, is our financial condition.
- Morris: Because of the stock market troubles?
- Skaggs: No, we have this every year. [Reading] "This is our annual meeting with our investment advisors, and it promises to be quite active. In addition, Stephen McKee has resigned as treasurer and board member as he is retiring from the Bank of California. Mr. Crawford, vice-president, etc., etc." "With representatives from Atlantic Capital Financial and Kidder Peabody to review the financial investment results of the portfolio for the year 1987, as well as observations for 1988. Four o'clock to five fifteen o'clock, video tapes of the several programs funded by the foundation. Five-thirty to six o'clock, cocktails, and six o'clock, dinner. Spouses are invited."
- Morris: The trustees do keep an eye every year on what the investment picture has been and make suggestions?
- Skaggs: Yes.
- Morris: Is it a matter of the Bank of California always having a trustee on the board, or is it just a banker? In other words, will you look for somebody from the Bank of California to replace Mr. McKee?
- Skaggs: Yes, if he's available, we going to have his man, Mr. Donald Crawford, who has been his vice president at the Bank of California. He and Mr. Skaggs were doing business together before he died, and then Mr. Crawford came up here and went through the bank boxes, and he is taking care of all my affairs. He's taking care of all my investments.
- Morris: He's somebody that you are personally acquainted with and have confidence in?

- Skaggs: Oh, yes. You just don't realize how complicated life can get. He sends me these reports every month on my trust and the investments.
- Morris: I made a little list of people who had been trustees just to sort of get a picture of how the thinking went along. You said that there were officers from Pay Less for a while, but then it was ruled that that was not a good thing.
- Skaggs: Well, it was new laws made that you couldn't have anyone that had an interest in the firm.
- Morris: Then Mr. Kenneth Lett was elected a trustee in 1973. Is he a Pay Less person, or was he a friend of Mr. Skaggs?
- Skaggs: This was after Mr. Skaggs died. I don't know Mr. Lett, so I don't know where he came from really. He was new around there. I sort of lost touch.
- Morris: Then, we have Mrs. [Catherine L.] O'Brien trustee in 1979?
- Skaggs: She is not a trustee. She is a member of the board.
- Morris: The people who make the decisions on the grants are the board of directors, and the trustees are the people in the financial end of it?
- Skaggs: No, the directors on the board. Of course, I have the final say-so. In fact, I selected these financial people we had. I don't know how many came out and give us their presentation. I selected that firm because I felt like they were the best, and none of them are infallible, as we know. All this legal stuff, it's very confusing.
- Morris: Mrs. O'Brien was somebody who had been recommended by the law firm or you had been acquainted with her somehow.
- Skaggs: I didn't know Mrs. O'Brien, but she was on other boards. She was on the John Muir Hospital board, for one, a very brilliant woman, and she lived out in the area where Mr. Jelley lives. You don't know where these things really begin. I didn't know her. I knew the bankers, of course, because I had to meet them and deal with them. She's the only one I haven't met. She must have taken someone else's place, Mr. Lett, probably, or something. He wasn't there very long. I think he went to Hawaii or--I don't know what happened there.
- Morris: At one point, there is a reference to him being in Honolulu, and I wasn't sure if he came from there and you had business interests there, or whether he was going there and was going to be gone a long time.
- Skaggs: I think he came from Hawaii. I saw him a couple of times at the meetings. We only had two meetings a year. I never got acquainted with him.

V ON BECOMING PRESIDENT OF THE FOUNDATION

Getting Used to larger Grants

Skaggs: In fact, for five years, I sat there. I did not understand all of this, or thought I didn't. I didn't quite know how to cope with it. I just sat there and listened.

Then something came up that we were to vote on, and all of a sudden, without even thinking about it twice, I just came out with a great big, "No." Everybody looked at me--shock, surprise. Mr. McKee looked at me, and the room was silent, and nobody spoke a word, and he said, "You know, Mrs. Skaggs has been sittin' here for five years. She's never said a word."

Morris: Do you remember what that grant was for?

Skaggs: No, but I remember thinking that we don't have all the facts we need to make a decision.

Sometimes when we make grants, it's a gamble. And sometimes, it seems like instead of helping--

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Skaggs: --we just helped them into more trouble. It's covering such a large, large territory, and no one can cover it all. It's like politics. A good many people feel like people are running around spending your money and having a good time, and nothing much comes of it. I was just reading Jack Anderson this morning in the morning paper about the Galapagos Islands and one of the jaunts the politicians were making, and what it costs.

The captain of our boat called me Sunday evening from Palm Springs: he's on his way to Ecuador, and he's going to go to

Skaggs: Galapagos Islands. I'm going to save it for him and send it to him. We have made a grant to these islands. Now they are living on tourists. Things do change. What good we did to the Galapagos Islands, I don't know.

Mr. Jelley visited it, and it is a facinating place, and they have all these wonderful animals. Everybody is interested--my husband too. He was always very interested in preservation of the wildlife and the natural environment and things of that sort. There is nothing new about that.

Morris: Was it that particular grant that you thought was too much of a gamble or was it sort of in general at that point, after five years, you thought many of--?

Skaggs: I don't know that it was about that grant that I put my foot down; I forget what it was. It may have been a decision unrelated to grants. I'd have to consult the minutes of the meeting.

Morris: After that, did it become easier to put your two cents worth in?

Skaggs: I speak up, and they know I do. They pulled a fast one. Mr. Jelley had been talking to me about endowing this chair at the University of Santa Clara. I wasn't at all cooperative. I said, "Oh, my husband could care less." We had gone through all this before with other universities. He just didn't care about that sort of publicity. Mr. Jelley went ahead and did it, and then they broke it to me at the meeting which was last November. Everybody kind of looked at me, all around the table there, the whole group. I didn't say anything. I said, "Why are you all looking at me? Do you expect me to object? You've done it; I guess it's all right." They expected me to protest.

Morris: You decided not to.

Skaggs: No, I let it go. That was our last grants meeting. Of course, it was right after that that the funds were pretty low, and that was the part that did it. I went down there. They invited me down there.

Morris: To Santa Clara?

Skaggs: Yes. Well, I guess it's a good thing.

Morris: This is going to be a chair that is called the L. J. Skaggs Chair (for retailing education)?

Skaggs: I don't know what they call it. I had a nice letter from the man that's in charge of that department. It was a proposed grant and will be in the next annual report. I could have vetoed it right then and there, and they expected me to. What the heck, who's to know.

Morris: I came across a note somewhere else. About ten years ago, there was established a Skaggs Institute of Retail Management at Brigham Young?

Skaggs: Yes. Some of my friends were down there, and they said they saw a plaque on the wall. I said, "Well, it's news to me." After you go through so many, both proposed and [granted], every once in a while, I have to check back. Here is a letter from Macy's and Mervyn's. I thought well, there must be something good about it.

Morris: Is one of the concerns that it is a reliable organization with good financial arrangements so that it will probably do well with the grant?

Skaggs: These are the larger grants. Our biggest concern is the smaller ones—the young people that need \$5,000, just need something to get started. They are the biggest group. These big grants—there aren't many of those.

Morris: Is that something that Mr. Skaggs had been interested in?

Skaggs: Yes, the young people. That was his first concern. He said, "Oh, there are so many young, young people, and there are so many opportunities, but they have nowhere to go. They don't have the money; they can't borrow it. They haven't any assets, so what can they do?"

We ran into that with Dr. Forsham, earlier on, because they had these wonderful young men there working in their laboratories. One of them was Dr. [Francis A.] Sooy.

Morris: The one who was later chancellor of the San Francisco medical school?

Skaggs: I have a lovely letter from him thanking me. Dr. Forsham said, "We can't keep these bright, young people. They go to other places where they are offered more money. They have got families, and they have got to live. The way the university rules are—we can't give them anymore." We gave him (I have his thank you letter) \$5,000.

Morris: For each young man?

Skaggs: There were others, but Dr. Sooy is the one I remember, in particular, because he became so famous. Unfortunately, he was the one who was killed in the air crash—He and another doctor friend. However, he was retired by that time. He was very famous and the best in his field. He probably got help from other sources, too. It's a little here and a little there, but at that time, he was just in the beginning of his career.

Long-Time Adviser Dr. Peter Forsham

Morris: In the beginning, most of the foundation's grants were for medical purposes?

Skaggs: Yes. Well, you see, Dr. Forsham outlived his retirement age. They kept him on because of his knowledge and fame and prestige and everything. He stayed longer than he should have. They bent the rules a bit, and then this new man came in from Utah [UC President David Gardner]. Everything there changed: all the regents, all their building, and their expansion, and their fundraising, and whatnot. It all changes, and that changes life for not only the people at the top but for the people at the bottom as well, maybe more so.

Morris: Dr. Forsham is not still actively practicing medicine, is he?

Skaggs: He has an office, and he's in private medicine. I talked to him. He was at my birthday party. In fact, he brought me roses. He has people come to him from Europe with tumors in the brain or whatever. He sends them to the people that he has trained and knows. He used to make a lot of cruises and trips. He writes medical books, and when he went to Greece, he said when the boat docked at one of these islands, there was this huge banner, and some of his students that he had trained and were practicing there. "Welcome, Doctor Forsham." He's world-famous. I'm afraid he's going to have to retire, pretty soon, from our board because he's seventy-two now.

Morris: I just have a couple more questions and maybe we could wrap up for today. I don't want to wear you out. As the grants shifted over to more non-medical grants, did Dr. Forsham have any problem with that, or was he equally helpful?

Skaggs: Of course, he is on our board, in an advisory capacity. He's invaluable when anything like that comes up. It's like--one instance, Laura Lederer--she went to Africa and was with this women's movement. She was all ready to do something or other. He said, "You ought to watch that. Medically, this could get you

Skaggs: into a lot of trouble." We depend on him for advice just like we depend on Mr. McKee for financial guidance. It's not that they can postpone it by a vote. Of course, they could control.

In fact, I overrode Dr. Forsham's ideas on getting our financial people. It turned out, fortunately, that I was right. I forget where I was going.

Morris: That Dr. Forsham had advice on the medical aspects of various grants even though they weren't necessarily for medical purposes.

Skaggs: I don't think we have been giving any medical grants. He hasn't had any money for a long time now because he is out. He has parted from the university, really, technically.

Morris: Then you sort of phased out the medical grants?

Skaggs: He was in charge of that metabolic department and their laboratories up there. To give now, we would have to give to the university. Ordinarily, we don't give to universities. That's one of our nos.

Grants Where No One Else Is Giving

Morris: Was that something that goes back to the beginning, or was that a policy that was developed later on?

Skaggs: In checking universities, all these wealthy, wealthy people, like Stanford and Yale, they have got so much money coming to them, the Rockefellers and all those people. They've got money they don't know what to do with. They just keep building and building and growing and growing. Those were not the people (everybody needs help)—it didn't take care of the problem. We were trying to get somewhere where nobody else was, and we are. We are in a category that was new because the big universities, the big hospitals, the big everything, oh sure, that's the easy way: Give it to the Red Cross, and we are all through with it, no problems. This is the hard way: to decide.

Another hard way is the even smaller foundations, and the people that try to run it personally, just to give somebody money to go to school or this or that or the other thing. Yet they call it a foundation. We did that, but we just never thought about calling it anything. We had a young couple come here one time on their honeymoon, and they spent the night here. Then the next time they came, they had two little children. They sat here right in this very room. My husband said, "Mary, get your checkbook and write a

Skaggs: check for \$3,000 (That was the limit at that time that you could give tax-free) for each of these children and get them started on an account for their education.

I had a letter at Christmas from this young man. One of these children now is married and has a baby. We have always done this sort of thing and just never thought anything about it. He was just starting out, and they had four children, finally. This boy had cooked and had been kind of a helper on our boat. I think it was our first trip. You know, you have to learn everything. We stayed too long. We all got a little tired. The food got a little stale. He was love-sick. He was still in college. You see how far back these things go when you start this little ripple. Little did we know that we'd be sending that child of his to college.

Morris: It seems like you and Mr. Skaggs have had the gift of friendship. Once you formed a friendship, you keep it on, like Dr. Forsham who is still a close advisor.

Skaggs: My problem with my friendships is that I have outlived most of them. That's tough, you know.

Morris: That's a good reason for having friends who are younger, too. Then you have got some replacements.

Skaggs: Well, we were the younger ones. That always irked my husband so because in his day the people that were important were the bankers and the big potbellied [William Howard] Taft types, with the big watch and everything. He couldn't wait to be like that. Well, when the time came that he began to grow a little weight, he didn't like that so much. Times have changed. That wasn't the way people looked prosperous any more. Nowadays to look prosperous, you wear a certain kind of jeans. He wore overalls. We considered those for poor children. We felt sorry for the kids who came to school in overalls and bare feet. Times have changed.

Morris: When you agreed to take over as president of the board of the Skaggs Foundation, did you read up on the subject or make acquaintances of other people who were on foundation boards?

Skaggs: We were together in the foundation to start with, so naturally it would go to me. They couldn't very well out--they could have maybe, I don't know what the laws are. It wasn't, I don't think, ever thought of. Just like Mr. Crawford is following Mr. McKee, it's sort of like when Mr. Jelley called me a couple of weeks ago, and he said, "We have got to replace Mr. McKee. What do you think of Mr. Crawford?"

Skaggs: I said, "Well, he's been there at a lot of our meetings and at our luncheons. I have been with him, and he's been my escort to the opera, and he was up here on my and Mr. Skaggs' estate and got that all straightened out." Now he's vice-president of the bank. You never really know how people are going to turn out.

VI GRANTMAKING INTERESTS

Opera Broadcasts; Women's Issues

- Morris: I notice that the first grant outside of the health area was to the San Francisco Opera in 1972. Had you kept up your interest in opera, and were you suggesting that that would be a good place to make a grant?
- Skaggs: Well, it was our largest grant. It wasn't our only grant, but it was our largest grant at that particular time.
- Morris: It's the first grant I find outside the medical area. I remember your telling me that you enjoyed opera as a child and got to sing in a couple of school operas.
- Skaggs: Of course, that was after my husband died, too, and Mr. Jelley is very interested and very knowledgeable and was already on the board, I think, then. These things are just sort of a natural progression, mostly.
- Morris: That grant was for the radio broadcasts, for the school children?
- Skaggs: Well, we had the radio broadcast, and Sunday night, I guess it was, the Telephone Hour was on the television. Oh, how I loved that Telephone Hour when it was on radio. That was one of my favorite programs, years and years ago when we just had radio.
- Morris: One of the annual reports said that the foundation had been interested in women's issues from early on.* I wonder if that's because you were what would be called nowadays a feminist?

*L. J. Skaggs and Mary C. Skaggs Foundation annual report for 1985.

Skaggs: You see, all this began during the war years, World War I and World War II. A lot of women were left. There weren't men like in Britain. In America, there was some of that too, but not as much. That's when you couldn't get any domestic help. Everybody went to work where they had hours and wages like Rosie the Riveter. Did you watch Bill Moyers' program on [America in the Twentieth Century]? It reminds me a lot of things that I hadn't exactly forgotten. It brings it back, all the Suffragette movement and all that sort of thing. Of course, I was aware of that as a child. It didn't particularly concern us; just like we read about a lot of things, [but] we can't just be wrought up about the whole world all the time.

Morris: Coming into the 1970s, did you think there was a need for more recognition of women's efforts, both in running families and working and things like that?

Skaggs: I didn't realize the need for a lot of things, like battered women. Any new thing goes too far before it settles down, anyway, any new idea. I think Women's Lib is one of them. They have just carried it to an extreme, like wanting to go into the men's toilets and stuff like that. I think it's ridiculous. Who would want to do that?

Program Staff

Morris: When it was time to bring on a new staff person, were you looking for somebody who had special knowledge in women's interests?

Skaggs: No, that was a later development. As the funds grew, the grants grew. Of course, all these people write and write and write [requesting funding]. They go through stacks and stacks of mail and sort them out. Some people sent some ridiculous requests: Give me a grant because I need it. They have to have credentials, and it all has to be investigated, followed up on. The theatre, for instance--David Knight spends an awful lot of time attending performances and checking to see if they are really doing anything with these grants. Fortunately, he is a bachelor, and he can do that. He is well-fitted for what he is doing.

They all are very well-qualified for what they are doing. That's one thing that is very fortunate. We have been fortunate in that respect. Laura [Lederer], too, she's single. Jillian [Steiner Sandrock] was for a while, but she is married now, has a daughter. Mr. Jelley is getting married next month.

Morris: Very congenial atmosphere.

Response to Stock Market Slump, 1987

[Date of Interview: 17 February 1988]##

Skaggs: Our last meeting, which we were speaking of yesterday, that was at the Bank of California, November 12, 1987. That was right after the October [stock] disaster which we spoke of yesterday. It gives the listing here [points to docket for board meeting, December 1987]. We just put this all aside because we weren't so sure that we were going to have the money. We did cut the grants that were there for approval but hadn't yet been approved. Then when we got the financial report, we started trying to see where we could cut without really hurting anybody. We made some cuts, but after they got over the panic feeling and got things kind of straightened around, about a week later, they decided, well, the money would be forthcoming after all.

It was going to have to be more portioned out over a year period, rather than one lump sum. The grant for the opera was the big lump sum, and that was not really necessary; they don't need that all at once. This was the 1988 grants list. Then we have the [University of] Santa Clara, thing which was another large one. Some of the board members said we could cut our projects. We don't have to make this trip or that trip or whatever. We just couldn't go on with our meeting at all the way we had planned it because it was just too soon after this. Our investment people said they just sat; they didn't do anything, you see.

Morris: They just waited to see how the market was going to settle out.

Skaggs: Of course, we had been riding the crest. Everybody had. The market was an up market for so long. Then, of course, we could have been in the clear because of our real estate investment, but you don't like to start selling anything. Anyway, it all straightened out.

Morris: The decision was not to cut any grantee off completely but rather to just spread it out over a longer period of time.

Skaggs: We wouldn't have to draw on the capital. There's all these things. They are meaningless. You ask me what grants, what grants. I looked them over, and I studied them. They're described. I go through all of this, and they've gone through all of the applications. It doesn't say how many applications they have, but, of course, some of them are absolutely impossible. Others all have to be checked.

Skaggs: Jillian had just returned from Italy. Laura had just returned from France. Mr. Jelley just returned from Tucson. Everybody had been somewhere on their projects, just like you do. You go around the country. I don't know how much of this you do.

Morris: I don't get to go to Italy and France.

Skaggs: Like Laura, she was on this World Women's Conference that the queens and everybody were connected with. She went to Africa when they had that world conference for the women.

Grant Categories; Executive Philip Jelley; Mr. Skaggs's Interest in Children

Skaggs: Mr. Jelley's big interest is the historical part. He had gone to Williamsburg, [Virginia] and the battlefields. They all need money. The money that they had been getting for Williamsburg from the government is all dried up for some reason. They all need new costumes; they need new curtains for the houses. Have you been to Williamsburg?

Morris: I have, many years ago.

Skaggs: Well, we went before it was even complete, about 1930, maybe. We went through what was there. With the people going in and out, the upkeep of the facilities, all these things cost money, the restrooms, the signs, the literature that they pass out.

Morris: Was Williamsburg a project that interested Mr. Skaggs?

Skaggs: Well, we went there many years ago, and, yes, he was the only one in our group that went through that knew what some of the things were for, which was kind of funny, too. So many people are city people or younger people.

And, too, eastern people, they don't know. All they know is from the movies and maybe the books that they read. We went to New York in about the twenties, and this taxi driver says, "I'm going to take you through Central Park; you can see nature in the raw." We were back here when nature was raw, plenty raw. [laughter]

Morris: When Mr. Jelley later on suggested that Williamsburg was a project the foundation might want to fund, you were familiar with it?

Skaggs: Well, we have categories. We portion each category out--a certain amount for Projects of Historic Interest, then here are our international projects. That's something, of course, we have a plaque in Westminster Abbey. Mr. Jelley says it's pretty high.

Skaggs: you'd have to do a lot of climbing to get up and see it, but he took a picture of it and brought it to me. We've also had invitations from the Queen and Philip. He is interested in wildlife and that sort of thing. He has been over here to San Francisco to meet these people. We haven't gone. We can't accept these invitations, but the Galapagos Islands was one of our grants. Anyway, [we have given] a good many through the years, because it has been a good many years now.

Morris: In one of the reports, there was a note that Mr. Skaggs' idea was to fund the unfundable.* You said something yesterday about the foundation having looked for a niche to make grants that nobody else was in. I was wondering when the foundation assets were first developing, if, in the beginnings, you and Mr. Skaggs saw a day when you'd be wanting to fund other things than just the medical research? When you started out, did you intend to go on from the diabetes research into the performing arts and education and things like that?

Skaggs: Well, that was our largest grant, but it wasn't our only grant when we began, as I recall it.

Morris: The annual reports indicate that it was about 1971 that there was a grant to the San Francisco Opera and to the East Bay Activities Center.

Skaggs: It was after he died?

Morris: He planned for the assets of the foundation to continue to grow?

Skaggs: Yes. Of course.

Morris: Did he see a time when there would be enough money to make grants to other thing than the diabetes and the children's camp? Or was that something that came along after his death? Did you kind of look to Mr. Jelley to look over what was going on?

Skaggs: I pretty much had to because I couldn't get around to do these things. Now my husband could, like a lot of things that he did personally years and years ago even before foundations were ever thought of. Some of them have turned out beautifully, and some of them have gone forgotten, I guess.

*L. C. Skaggs and Mary C. Skaggs Foundation annual report for 1980. p.2.

Skaggs: One in particular, I just heard from at Christmas. This is an interesting little story. When we were there in Portland, we needed an advertising man. So this couple came from New York. He came to be in our advertising in Portland. They had been associated with Safeway back there.

She knew Julia Lee Wright, and some of her recipes went into the book that I have. Safeway used to have cooking classes, the electric stove was very, very new. No one knew how to use it. They had gas stoves also, so they all had free classes, just like you go to fashion shows or anything else. They'd give you recipes and booklets and try to sell the product.

Well, I have one of the original Safeway cookbooks, and it is pretty well used up. It has all fallen apart. What I started to say is that this advertising couple came out and being from New York—I felt like that's what I always did, I took care of the women of the organization. If they wanted to shop, I went shopping with them. They came out to my house and spent the afternoon. Whatever they wanted to do, I did. They both came out. Like I say, we didn't employ them without interviewing them together.

It was more of a family-oriented thing in those days. We had the picnics. Everybody would bring their children, and they'd have pie-eating contests and sack races and all that funny old-fashioned stuff. We knew the children. Well, this couple adopted a two-week old baby. They had it brought up from Chicago. The sacrifice that they made for that child you wouldn't believe. This little girl, of course, she grew up. She made an unfortunate marriage, had two babies, and, of course, they took care of the two babies. She made another marriage again, two more babies, and she tried to go to work, which she did.

One of these babies was distinctly talented in art, and so my husband started putting her through college and through art school. I got a lovely letter from her just before Christmas and a big colored brochure of the kind of work she's doing. She has her own business. She's in partnership with another woman down there in Los Angeles. It has been one of those success stories.

There was another case, too, up there in Alaska. We see this boy out there all alone. He had one hand. I tried to do things with one hand; try it. You can appreciate what these people have to do. He'd blown off this hand with a childish experiment. He was out there, and he'd stay out all night--go out there on that ocean, and he'd come in with his little boat just loaded with fish, and he'd sell them.



Portraits of Mary C. Skaggs
done by students in the ARTREACH
program.
From the L.G. Skaggs and Mary C.
Skaggs Foundation Annual Report,
1982.

Skaggs: He went to the University of Washington and took--what do you call it?--fishery. He kept on fishing and saving his money. Then my husband loaned him enough money so he could buy a nice big boat, which the boy paid back....

After my husband died, it took a long time to settle the estate, and I was green at the whole thing--like the foundation, ignorant as grass. At least, I thought I was. We always went into the bank wherever it was, we'd go into the president's private office. I'd just sit there while they talked about everything and anything. My husband would have made a good banker--lots of things that he could have done....

Then you've got to account for everything you do these days. I just didn't know how far I could go, whether I might have to sell the ranch, whether I wanted to live here. It took me about ten years to settle down.

Fundraising Approaches

Morris: Did Mr. Jelley often suggest that you go out and visit some of the people applying for grants, yourself?

Skaggs: I have gone with him on a few things. I went out last year in November. We went out to the laboratory in Berkeley, up on the hill.

Morris: The Lawrence Hall of Science?

Skaggs: Yes. They gave us lunch. They were asking for money. They've been cut back, too. The professor there said that they were going to build a craft and sail it to Hawaii, and he explained the whole thing and all the things that they were doing there. They gave us a lovely tour, and we had beautiful view from their private dining room. He explained the whole project to us, and we did give them a grant.

Now we have international projects. The Buddhist Perception of Nature in Hong Kong. That's getting pretty far afield.

Morris: How did the Buddhist organization in Hong Kong learn about the Skaggs Foundation?

Skaggs: I had a nice letter from this man. I don't know. I tell you, where there's money to be had--of course these people have their own fundraising groups. They know where the money is, or hope where it is. I get stuff every day, fundraising things and invitations.

Morris: What's your feeling about organizations with a fundraising department as opposed to somebody who is doing everything themselves?

Skaggs: Well, that's what happens in really large foundations, like the opera. Everybody is fundraising. That's the problem they have right now for someone to follow Mr. [Terence] McEwen. He was very good at fundraising. He was a good all-around person. They have to have a knowledge of languages. They have to have a knowledge of opera. They have to have an ability to get along with tempermental, artistic people. It's a very stressful situation.

Now here is the Center for Prevention of Sexual and Domestic Violence in Seattle, Washington [reading from docket]. Now we know there is plenty of that going on. Look at all the people who were shot yesterday, down there at Sunnyvale. The Foundation for Peoples of the Pacific. Grass Roots International, Cambridge, Massachusetts. Unless you read the description under these, to me, they are just so many names. I did. I read it over several times when I first got it before I went to the meeting. I didn't even take it with me. I have got it all in my head then.

It's like a lot of other things. It is like when we'd leave home, I would do everything that I could possibly do--this and this and this. Once I shut that door, I don't have a home any more. I could cut it off, right there.

VII THE FOUNDATION'S PROCEDURES

Expenditures; Policy Decisions

Morris: This packet that you are reading from. These are all the proposals that the staff is recommending that you vote to approve for the next year?

Skaggs: Yes. Of course, they have simmered through about a thousand applications and I think they have selected about five or six hundred there, then they follow up on them.

Morris: The previous year, I had added them up; it looks like you were up close to two hundred grants per year that the foundation has approved.

Skaggs: Something like that.

Morris: This refers to the retail studies program.*

Skaggs: That's taken from their students newspaper they'd laid out.

You see, we have the administrative expense budget, and it has been increased a little bit, not very much. They talked about maybe cutting that after the October stock crash. They list services, the rent, the office space, the federal and state taxes, the agent's charges, the audit, the director's fees, the employee annuity, the workman's compensation, the long distance calls, the

*Retail Management Institute of the School of Business, University of Santa Clara, for which The Foundation has endowed the L. J. Skaggs Distinguished Professorship in Retail Studies.

- Skaggs: xerox, employee disability and health insurance and other insurances. This year, they moved the offices, so there were extra expenses this year, too.
- Morris: Moving across the street in Oakland?
- Skaggs: Yes. They bought a computer, too, this last year. That's too much for them to do without a computer. That was a big expense. They had talked about adding more personnel, but they felt like they could handle it without more persons. It says that this does not include investment counseling fees for Atlanta Capital Corporation. It does not include capital equipment, added items of \$5,679. or one-time expense of stationery for reasons of address change, \$1,314.
- Morris: Am I right that the discussion of the budget includes that each year you are considering how much to make available for grants in the following year? Is that something that there is much discussion about whether it should be more or less?
- Skaggs: Yes. It depends on how much we are making on our investments. It's all funded from the investments.
- Morris: Generally, the grants budget sticks to a percentage of the income from the investments?
- Skaggs: Yes, and also each category has a percentage.
- Morris: Do you have any questions about whether the percentage for each category should be increased or decreased?
- Skaggs: Yes. Here's your problem again with the men and the women. David Knight, a man, could stay almost anywhere, but a woman, alone, she has to go to a reasonably nice hotel. You know what they cost nowadays. So they decided to increase her allowance when she's traveling. Then they are expected to take people to lunch or dinner or whatever. There are traveling expenses involved that change according to the place and the times, like you and me in our private lives. There's no difference there.
- Morris: It looks as if over the years, as new staff people have come on, they have really developed to be the national experts in these different fields.
- Skaggs: Yes. They are being consulted by people back in New York and Chicago. They have had to go to meetings there. They've all gone to places like New York and Chicago and attended these big conventions where they have foundations and even made speeches in front of these groups because while we are a small foundation,

Skaggs: we're in a field and a category that is rather new and untried. In our last meeting a year ago, we had a baroque orchestra that played for us which we have been funding.

Morris: From the Bay Area? That's a policy decision that a certain amount of money for grants will always be given in the Bay Area, northern California counties.

Skaggs: Basically, that was our original intention, that it would be confined mostly to northern California.

Morris: Because that's where most of the business interests were by that time?

Skaggs: Well, for whatever reason, I don't know, I really couldn't say how these decisions develop. You talk about things in a group of people and what other people are doing and sift it all around and down and out. When you come up with a decision years later, you don't know just how you arrived at that decision. I find that out even around the house. I think why do I have that chair over there, or that table? So I move it. Well, I find out that chair wobbles in that corner. [laughter] The floors aren't even or something or the light's wrong.

Morris: After a while, you moved into making grants in other western states?

Skaggs: Some, and now we're making grants in the Appalachian area as a result of Jillian's work...

Annual Reports##

Skaggs: The first annual reports don't look like much. Like everything else, they have grown and grown and gotten more expensive. We have a lot of trouble with them. They are always late, or something goes wrong. Printers are notorious for snafus.

Morris: How could you say that, the daughter of a printer?

Skaggs: [laughter] Well, I know because when my dad got too old to really be down at the shop, they couldn't keep him away. He'd insist on helping, and so it all had to be done over. That is a loss of money and time and a very angry customer. Most people don't come in until the last minute, and they want it, if not right now, at least they want it yesterday.

Morris: Do you use the same printer each year for the foundation report?

- Skaggs: No. We haven't. The last one, they used one in Sacramento. That means a lot of trips back and forth for somebody. Well, it has to be corrected; it has to be checked; give the credits to the photographers; get the pictures. One year, Mr. Jelley's son, when he was back in England, took the pictures for the Report [1979] that had the grants for the Westminster Abbey in it.
- Morris: I really enjoyed reading the president's messages that you have written. They always have a nice brisk, brief message. Is that a big chore to write those each year?
- Skaggs: Well, the whole thing keeps me pretty busy. I spend more time than people would realize on this because I want to thoroughly understand it. I go over it, and I go over it. I maybe even read it ten times.
- Morris: Make notes?
- Skaggs: No, I don't make notes.
- I never could seem to do that. I know when I was in school, you were supposed to make an outline. I seem to have to get it in my head.
- Morris: When you have a question on one of the proposals that is on the docket, is it usually about the finances, or is it more about the value?
- Skaggs: Is it worthwhile? That's of little consequence because if it doesn't go one place, it'll go another.
- Morris: Have there been times when you suggested that maybe the staff should go back to the applicant and work over some of the details to make it a stronger project?
- Skaggs: There is so much here if you could read it: [reading]

Why have the performing arts played such a large role in the development of our foundation? There are several key historical factors which help to provide an answer to this question. First and foremost, Mr. and Mrs. Skaggs' abiding deep interest and commitment to cultural awareness and culturally-based educational programs set an early focus on arts projects, which at least partially account for my being invited to join the foundation as the first staff member of 1977.*

*From Jillian Sandrock report to board of directors.

Morris: This would be Jillian's note?

Skaggs: Jillian always provides me with more things than I can read.

Morris: These essays that the staff has written in the annual report are very informative.

Skaggs: They do them themselves.

Morris: Do those ever get reprinted in some of the foundation journals or in the Oakland Tribune or things like that?

Skaggs: They have had things in the papers, yes, they have. Jillian, too. I remember when we were going somewhere one evening, she said the next morning she had to be over in San Francisco at the Fairmont Hotel at 8 o'clock in the morning. She didn't know how she was going to get there. She has to give a talk in front of groups there. They are very, very busy people. I don't know how they do it, really.

Here's Mr. Jelley's trip to England, for instance. He has gone to this National Trust thing. They give a full report to all the board, each one, of what they have been doing.

Morris: This is a June and July trip he took to England. All of these were grants to cathedrals, castles, and great halls. They were all places that had been looking for grants?

Program Expansion; Cooperative Funding

Skaggs: Laura got very, very much involved with the chemical contamination. That was big there. It is still is. Or like the battered women, and of course, the thing that she's going strong on right now is the drugs and sex in the schools. She has visited the schools. She has been around with the policeman at night on their runs. They really work hard, these people.

Morris: Has she become interested in these because of the number of applications you have had in these areas, or is she out ahead of the applicants?

Skaggs: I think it's because it's a part of the times. This girl has degrees a mile long behind her, and she spent two or three months in Paris this summer just improving her French. They are brilliant people and well educated people. It's just part of the times. We cannot help but get involved in these things.

Morris: A lot more complicated than twenty years ago when you started the foundation.

Skaggs: On Lord, this wasn't thought of. There are many, many things that have happened, even in the last ten years. We have it here; It spread—no one had ever heard of AIDS. I suppose we'll be going into that next.

Morris: I think I saw a project that was involved with AIDS in one of the recent annual reports.

Skaggs: Everybody is going that direction now. It's frightening to a lot of people.

Morris: The Skaggs Foundation feels a need to be in?

Skaggs: Well, I think the people that begin these projects look for other people to help them. So naturally they would go to me and you and others that they think might help them. We might be approached in that sense.

We're not the only ones that support the opera, for instance. They get money from the county, and, of course, that's another thing that has happened to the opera. Mayor [Disne] Feinstein is no longer there, and the whole picture changes. She was supporting this through the city, a certain amount, the county, the city, the private individuals. They are all listed in the opera credits according to how much they give: a hundred or more, five hundred or more, five thousand or more, and on and on till you get to the top of the heap. Then people that leave money in their wills and all of that. They get money from any and every source that they can.

Morris: Do you think that's a helpful way to do it, to have more people supporting these different large institutions?

Skaggs: They couldn't get along on what we would give them. Do you know what their expense is at the opera? Do you have any idea?

Morris: Several hundred thousand dollars just to put on one new opera, is that about it?

Skaggs: Easily. And then their office staff, and then the building is falling down. All the seats need upholstery, and the carpet. There is never, never, never enough money.

Morris: Are you saying the Skaggs Foundation has been approached by other foundations to go in on starting a new project? Is that the way it works sometimes?

Skaggs: Not that I know of, but Mr. Jelley is on several boards.

Morris: Of other foundations?

Skaggs: I think so, or church. I don't know just what boards he's on. He's always been active in the Boy Scouts and all of that sort of thing, having children.

Morris: So, that the experience in other activities has helped the way the staff people respond to applications.

Skaggs: You get on the school board; you get on--oh well, I shouldn't have to explain it because it's the way these things are.

You see all these chemical contamination grants, this is the last year funding our three-year program on that. All the salmon were dying up in the creeks, and the farmers and everybody are unhappy. How they get into these things, I don't know. Sometimes people come to me, and I say, "Just call that other number."

Morris: You mean they come to you directly rather than going to the foundation?

Skaggs: Which is set up in the brochure that they are not to do this. I only broke the rule once. Of course, I almost felt justified. One of the relatives approached me, and she said, "I'll give \$12,000 to the Children's Hospital if you'll match it from your foundation." So that put it up to me, you see, so I said to Mr. Jelley, "Well, I

Skaggs: know it's not part of the rules, but it's a relative, and maybe this time." So we did it, but that was the one and only time that I've ever used that privilege.

Morris: A matching gift is a pretty strong inducement.

Skaggs: We don't give to hospitals; it was outside of our field. This is the chemical. We have another year to go on that.

Morris: That's an interesting one. Reading the description of that in that annual report a couple of years ago, I wasn't clear whether this was one the staff had been scouting.

Skaggs: The annual report is pretty much condensed from this [proposed grants docket]. This is what they send me that I should know about the finances. Of course, this is private, but [reading] enclosed are the following items: board of directors' meeting minutes. The press clippings for 1987.

Morris: Do you get pretty good press coverage?

Skaggs: Yes, we do.

Morris: I have heard that some organizations would rather not have press notice about their charities. Does Skaggs like to have press notice of the activities that they are supporting, or would you just as rather not?

Skaggs: Well, we don't need the publicity any more. One very interesting grant that we made years ago was a project where they taught young boys the steel or iron trade.

Lake County Grants

Skaggs: We've had a couple of grants in Lake County. One was the Big Brothers and Sisters.

Morris: Was it a new program getting started in Lake County? Driving through Lakeport yesterday they had a big banner across Main Street.

Skaggs: It's in our paper all the time: Be a Big Brother or Sister. We need people. I guess they need funds for various things. I don't know what they actually use it for.

Morris: Would Big Brothers and Sisters have been something you and Mr. Skaggs were involved in up here?

Skaggs: It hadn't started.

Morris: So this was to help it get started?

Skaggs: No, just helping with friends. So many of these things are new, with broken-up families and all the different things. Our little local paper reports a lot of these things.

Board Retreats; Ideas Exchange

Skaggs: [Reads title of report] "The Effect of Mass Media on Human Behavior." We've made some in this area. 1988 grants. At our retreat this last summer, we had people come out from the East, and they were very, very much involved. Two of them were sisters of some religious organization. Another guest was a man from the Smithsonian in Washington, D. C., talking on his project there.

They had their slides and all their presentation and their displays. It was a very, very hard, intensive three days. It was all-day meetings sitting there with your ears just stretched and your eyes just glued and most interesting people. This one man

Skaggs: would go into the Arctic and places like that. It was all about the media, the effect that television and radio and all these things have on people. [reading] It says here:

Since our board retreat in June, I have spent a good time refining the definition and direction of our newest program, The Effect of Mass Media on Human Behavior and Decision Making. (We are all influenced by mass media) As I said in my introduction to the panel discussion at the retreat, the program rests on the assumption that while our society has developed an incredibly sophisticated media and technology, we have neglected to develop the equally important capacity for analyzing how this media is affecting us. There is no doubt that it is. Scholars, researchers, advertising experts, and scientists all agree that media, and particularly the complex electronic mass media which has become so much a part of our lives now, help to shape our thought processes, our value systems, and ultimately our actions in the world.

In fact, media has the power and potential to shape both positive and negative social values. We know, for instance, that certain forms of advertising are very effective in convincing people to buy certain products or to vote in a certain way or to support a certain movement, lifestyle, or belief system. We also know that media, in general, and electronic mass media in particular, are particularly conducive to the creation of an appeal to human emotions, and that clever technologists can, and do, play on public angst about sexuality and desire, love, fear, anger, pain, grief, death, and other emotions to convince people to behave in certain way. What we don't know is how images and words and music, used singly or in tandem, work on the human mind to change it.

It was a fascinating three days, but I was exhausted.

Morris: This is all five of the members of board of directors spend three days together?

Skaggs: And their spouses and guests. We had guests, too, these people from the East.

Morris: The resource people?

Skaggs: And this man from the Smithsonian, they lived back there. They told of their problems.

Morris: Does everybody come up here for this retreat, or do you go off somewhere else?

Skaggs: We had it at the Silverado Country Club. Then we had dinners in the evening. We had one at Auberge de Soleil. We had one at a winery on this side of the valley. I see the menu here. Again, it was very expensive, and we decided that we wouldn't have one now this next year. We'll skip it this year.

Morris: Had you been doing it once a year?

Skaggs: Only in recent years, since about 1970.

Morris: Did you feel that this intensive three-day session helped you make decisions on some of the grants, or would you have made pretty much the same decision?

Skaggs: Well, you have to know what is going on. You can't make a decision that is intelligent. To see and talk to these people, both privately and in groups, and at the meetings, you learn so much. I used to just sit here. I'm not going to learn much that way, even just reading these things. This report is the result of the conference.

Morris: What kind of ideas impressed you from this mass-media presentation?

Skaggs: We had a man here who was in his nineties. He was a real Westerner and had lived with Indians, and he knew how to braid leather. He showed samples of his work—most interesting person.

Skaggs: He told how they lived in those days and how the cowboys would go into town and maybe have their first bath in a long time. The real old thing that is dying out, of course, that was in the crafts category.

Morris: This was a different retreat?

Skaggs: No, the same. We covered a lot of territory. Books and pamphlets and slides, it's work.

Morris: Do you do a lot of reading on these different subject areas?

Skaggs: They give you all this stuff you have to read both beforehand and afterward.

Morris: Does Mr. Jelley keep a reading list going for you on these different social concerns areas and historic preservation? The foundation has a number of really critical, complicated program areas.

Skaggs: They are not exclusive to your foundation. You listen to the radio. You watch the television. They have these people come on with all these problems, doctors, lawyers. Dr. Forsham has been on the television talking about diabetes.

Morris: There are a lot of books, generally, being written on these subjects. I wondered if you'd had the time to read some of these books, in addition to the foundation's own material?

Skaggs: Even Laura has written books. She said her last one is going to be in paperback. She is doing that besides everything else.

Morris: Did she do a book on the women's program?

Skaggs: I don't know what her book is about, really. She wrote one, but one was just more a compilation of other womens' writings on more or less the feminist movement.

Morris: Several people have said to me that that project that the foundation did on International Women's Year was really groundbreaking nationally. Did you have any special concerns that that be done? Was it your idea to encourage Laura Lederer to go ahead and develop that program?

Skaggs: Well, we had qualms about that because you could get into a lot of trouble.

Morris: How so?

Skaggs: In many areas. We weren't terribly, terribly sure about it, but, like I say, it's part of our times. It goes on here, too. This is Laura's that I am reading. She says,

Sex: Males outnumber females, three to one, on prime time radio and television. When women were portrayed, they were weak and passive, satellites to powerful, effective men..

Age: People over sixty-five were grossly under represented. They were also generally cast as silly, stubborn, sexually inactive, eccentric, irritating, or feeble. In newscasting, older men were commonplace, but older women scarce.

Race: 92.44 percent of the people on electric media are white people. The overwhelming majority of minorities are portrayed in subservient roles, as domestics, janitors, sometimes as the white hero's sidekick.

Skaggs: Work: Professionals such as doctors, lawyers, athletes, and entertainers were the subject of electronic media 90 per cent of the time. Only 6 to 10 percent of the subjects were blue collar service job people, as opposed to 65 percent in real life.

Crime and Violence: By the age of thirteen, the average child will have viewed 13,400 murders on television and drama shows alone.

I think it was at the Smithsonian, but someone back there gave a whole wing for this media and drugs and the thing that I am talking about right now. That's why they were out here, to get ideas. It's an exchange of ideas.

Morris: In addition to people bringing information, there are people coming to get information for their organizations?

Skaggs: Taking. We are being looked to as leaders. I was over in San Francisco, (this was quite a number of years ago) and Mr. Jelley chaired a large, large group, must have been 300 people. There were Schwabachers there and people from all over the Bay Area that have foundations. At that time, they said there were 175 foundations just around in the Bay Area.

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Skaggs: Some people have a little, private foundation, and they just know somebody down the street that they give a grant to for college or something like that. You want to help them all. They are all deserving—maybe not all. Now the homeless, who is going to take care of the homeless? There are all these things; it never ends...

Morris: It must seem that way when you are receiving all these applications.

Skaggs: You don't even have to have applications from them. All you have to do is read the papers, and if you are a human being, you think, good Lord, those starving children!

Social Concerns Guidelines

Morris: Does it seem like there are more human problems today than there were thirty years ago when you and your husband were traveling around?

Skaggs: Well, the population is bigger, to start with. I watched the documentary on Franklin Roosevelt on the TV last night, his life. He was there three terms, and he started Social Security. Before that, of course, they brought up the fact that that is when the women began to wear the pants and where women's lib really began. I knew that. I didn't have to see that picture to know it..

There have always been homeless. We used to have tramps under the bridge. We called them tramps and hobos, and they rode the rails. That's what they had in Roosevelt's time and the people lined up who were out of work, selling apples on the streets...

[Refers again to docket] Chemical Contamination, Women and Children's Rights, Battered Women, Abused Children, Community Organizing toward Neighborhood and Self-Empowerment. I think that's mostly helping these alien people with legal problems. They can't fill out the forms. They don't know the language. You know the problems that exist where these immigrant people come in, the farm workers, for instance.

One of our most gratifying grants, years ago, was this woman that fitted up a van as a schoolroom. She had brilliant children. She kept them there and taught them before they could enter school instead of them hanging around their parents in the fields.

Morris: Rather than having them work in the fields too?

Skaggs: They weren't old enough to work in the fields. They weren't old enough to go to school, even. They were preschool. When they went into school, they were ahead of the class in knowledge of art, literature, etc. One of the annual reports was devoted to that.* They had pictures. They had pictures of me, even.

Morris: You went out to visit the schoolroom, and you were there with the children?

*The 1982 annual report features an essay "Some Reflections of Arts Education," which is illustrated with children's work done by students of the ARTREACH program, Triton Museum, Santa Clara, California, a Skaggs Foundation grantee. Among them were portraits of Mrs. Skaggs.

Skaggs: No, she just showed them a picture of me. She was at the retreat that we had down in Monterey that year. We gave her one grant, and she wanted another...

Relations with Grantees

Morris: It looks like there are several organizations that the foundation has continued to work with. They have either gotten grants for several years or come back again for different projects. I was thinking of the Young Musicians program at the University.

Skaggs: Mills College, too. They have had some repeats. As time goes on, one group develops and goes on. There is another group beginning. It's just like anything else.

Morris: Is it that the repeats come up with new programs or that you just have confidence in the organization?

Skaggs: It takes a year or so to get organized and going. To really accomplish anything, they have got to have maybe another year, or maybe even two years to get up the momentum and get the thing so it's self-supporting. One of our big successes has been down there in Monterey, too. It took quite a long while before they began to be self-supporting.

Morris: The annual report comments about the difficulty of dance organizations in getting established.

Skaggs: So many of these things are dependent. It's like the restaurant business. If you don't have but the one shift, and there's only one person running the place, you don't have any business. That's true of artists, you see.

Morris: Is it obvious from reading a proposal that an applicant perhaps needs more staff or changes in its organization structure?

Skaggs: No, they sift that all down by attending the performances and checking their credit and their books, the staff does; it would be impossible for me to do these things.

Morris: Yes, for everybody out there. I just wondered if some of the proposals sounded especially interesting?

Skaggs: A lot of it is done by mail and by phone...

Learning from the Foundation

Morris: Looking at it over the years that you have been putting all this time in on the foundation, has it been a satisfying experience? Is it more trouble than it is worth? Do you enjoy it?

Skaggs: It has been a wonderful thing for me. I have just learned so much, and I have met so many interesting people. If I was younger and able to go, of course, I'd get around and meet even more people and do more. I can't do it.

Morris: The experts that Mr. Jelley has brought in and the people running the programs that the grants have gone to?

Skaggs: Yes. Like I say, they send me letters if I haven't met them personally and samples of their work or their accomplishments.

Morris: Are people generally pretty good about mentioning in their reports and books that this was made possible by a grant from the Skaggs Foundation?

Skaggs: They have been especially good. Sometimes I don't get around to reading all the fine print, and Mr. Jelley said, "Did you notice, they gave us credit?"

Transcriber: Chris Fenner

Final Typist: Hellen Kim

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Philip Jelley

EXPERIENCES OF A PROGRAM MANAGER

Interviews Conducted by
Gabrielle Morris
in 1988

Sponsored by Northern California Grantmakers

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PHILIP M. JELLEY

I CONVERSATIONS WITH L. J. SKAGGS

[Date of Interview: June 16, 1988]

Creating The Foundation, 1967

- Morris: When I talked with Mrs. Skaggs, she said that you were a young attorney, newly hatched, at Fitzgerald, Abbott, and Beardsley when you worked with her and Mr. Skaggs setting up the foundation.
- Jelley: Yes. I'd actually been here about ten years at that time, but for her purposes I was young, I was new on the scene.
- Morris: Are you a Bay Area person yourself?
- Jelley: No, I was raised in Washington, D.C.
- Morris: And how did you happen to end up on the other coast?
- Jelley: I went to Stanford Law School. Once you go to school in the Bay Area, you never want to leave.
- Morris: Was it a matter that the firm assigned you to work with Mr. and Mrs. Skaggs on setting up the foundation, or had you done other work for them?
- Jelley: No, I had done other work for them, a considerable amount of work with the Pay Less Drug Stores. The partner that I worked with when I started work here was a fellow named Edward B. Kelly, who was the general counsel for Pay Less. So, my meeting Mr. Skaggs was through representing him with Pay Less. I became involved in the tax field and, in 1965, started to prepare Mr. Skaggs' personal tax returns. That was when I really first had a chance to meet and work with both of them in a personal, noncorporate way, and really get a chance to know Mrs. Skaggs.
- Morris: Had you done, or has the firm done, any similar kinds of work in helping a client set up a foundation, or other charitable trusts?

This symbol indicates the start of a new tape or tape segment.
For guide to tapes, see p. 117a.

Jelley: We had and still do; we represent several foundations. This happens to be the one that I am most directly involved with, as far as a grant-giving foundation. But two of my partners are also involved with foundations which were set up by the firm.

Morris: Is that a subspecialty, or is that a matter that is routine for an attorney?

Jelley: Well, I think for a tax attorney, particularly when this foundation was set up, which was in 1967, it was a very important part of estate planning and tax planning. So that any person who was involved in long-range tax planning for a wealthy client, particularly one with a philanthropic frame of mind, would consider foundations, would know how they were set up and what to do with them, and how you can use them in preparing a tax plan for a client.

Morris: Was that the major consideration, or was it the philanthropic aspects which interested Mr. Skaggs?

Jelley: Well, I think that there were a lot of factors. I don't think that any action that Mr. Skaggs ever took was motivated purely from a tax point of view. He always had other reasons. He would never accept as a reason for taking a particular step that it saved taxes. If it saved taxes, that was fine, it was a factor to be considered; but it was never the sole governing direction. But I did explain to him what the tax advantages were of the foundation. But as I said, it was not a primary reason.

Morris: Do you remember the initial conversations? Did he raise the subject, or did you suggest it? Did you talk around it for a while?

Jelley: Well, we talked around it for a while. See, his daughter had died, Virginia, and he did not have any children. He had set up his estate to provide gifts for his sisters and those that he wished to remember. They had both of them given interests in Pay Less Drug Store stock to a number of friends, employees--the people they really wanted to remember. So that he really had everything set up to the extent where the people that he really wanted to remember had been remembered.

Also at that time, or about that time, Dr. [Peter H.] Forsham who was his first physician, was at the [University of California] Metabolic Research Unit in San Francisco--who incidentally I would encourage you to talk to--

Morris: I would like to, if you think he--

Jelley: Oh, I think he could give you a tremendous insight into Mr. Skaggs and Mrs. Skaggs, and in setting up the foundation. But Dr. Forsham was encouraging Mr. Skaggs to set up the foundation primarily on

Jelley: the basis that it would assure the research and the work that Dr. Forsham was doing at the Metabolic Research Unit and in connection with diabetes. Mr. Skaggs was giving money on an annual basis, from his own personal funds and I think that Dr. Forsham was convincing him that a foundation would be a good thing to set up.

So I think that there was definitely that aspect, of supporting Dr. Forsham, in setting up the foundation. Plus, I think that as Mr. Skaggs was withdrawing from the day-to-day administration and supervision of the Pay Less operations, that he became more involved with charities and philanthropy. He always had been a very charitable and philanthropic person. He liked the foundation structure; he liked the idea that there was some efficient way to do philanthropy and I think that that was one of the reasons--to be able to manage his philanthropies in an efficient and effective way. I think this appealed to him too, to have it through a foundation, through an organization.

I think that a subsequent reason, at least one that he mentioned to me, which was after it had been set up, but it may have been in his mind when it was being set up, was that he knew he was ill, and that Mary was not. He expected to pre-decease her, and he wanted to have some way to protect her from people importuning her for money. He had had enough people coming to him, and I think that he wanted to provide an element of protection for her so that she could very easily say, "My husband set up this foundation; if you have a request for funds, go see the foundation," and let the foundation bear the responsibility and protect Mrs. Skaggs to that extent.

Morris: So that over the years, they had a number of people coming to them with requests for money charitably?

Jelley: Oh, all the time, for all sorts of things.

Morris: I see. And he had pretty much managed those himself, just ignored them or--

Jelley: Or responded, or--

Flexibility and Control

Morris: And when it was being put together as a separate nonprofit institution, were there thoughts at the beginning, at that point, as to where the foundation might go in due time?

Jelley: No, I think that when it was being set up, it definitely was to support the work of Dr. Forsham at the Metabolic Research Unit at the University of California school of medicine. And that is where

Jelley: the funds went for the first several years. But as a couple of years passed, and various requests continued to come to Mr. Skaggs, he started to refer them to the foundation.

Morris: Other requests.

Jelley: Right.

Morris: The document that incorporates the foundation doesn't limit it to one purpose.

Jelley: No. It's a straight, general-purpose foundation. But that was more from giving as much flexibility as possible. There was not discussion that it wouldn't start to do a lot of other things, but that this would be how it was set up.

Morris: Was it contemplated at the time that over a period of years, there would be increases in the assets? Was that a part of the thing, too?

Jelley: Oh, yes, definitely. The foundation was set up with a gift of shares of stock, 50,000 shares of Pay Less stock, which was to be part of a public offering in early 1968. But the wills that Mr. and Mrs. Skaggs drew provided that the foundation would receive the greatest portion of their estates, so it was intended that the foundation would continue.

And it also was discussed that while the foundation would not spend all the money right away, it would not go on forever. The figure that Mr. Skaggs always used was twenty years. In the wills, it did provide that his estate would be distributed to the foundation over the period of twenty years after the death of Mrs. Skaggs, just to make sure that there wasn't just a huge sum of money coming that was spent immediately.

Morris: Right. I can see where that could be a little overwhelming.

Jelley: Well, he was afraid that people would get sort of swept away with the cause of the moment, and just spend it on something. He felt that it should be spread out to give people time to reflect.

Morris: He sounds like a very interesting man, many interests himself.

Jelley: He was. Very, very multifaceted person. A very generous man. He was very interested in the distribution of the foundation funds.

Morris: Once the foundation was set up, or during the process, would he have read up on foundations, or talked to other people who had set up their own?

Jelley: Yes. His brother had set up a foundation--

Morris: Which brother?

Jelley: M. B. So he was aware of the foundation. His nephew, Sam Skaggs, who was the son of another brother, they had set up a foundation through their company. Theirs was a company foundation, as opposed to the private, the personal foundations that both M. B. Skaggs--

Morris: Within Pay Less Stores?

Jelley: No, this was completely different, but it was his brother. So that he was aware of foundations and how they were used, and there it was. But he was a great reader, and occasionally he would cut out an article and send it to me from one of the Kiplinger letters, or one of those types of letters that were sent out--he subscribed to a lot of them. Or the Wall Street Journal, he'd clip something out and send it, which at least indicated that he was reading about foundations and how they were run and supposed to be run. And of course, soon after it was set up the Tax Reform Act of 1969 came in, and that had tremendous impact upon foundations, and he was very interested in that.

We received a request from the congressional committee that was collecting information for it. I called several people I knew in the Bay Area foundations and discovered that they were ignoring it. They felt that there wasn't any right to ask for it, and all it was going to do was cause problems. So I called Mr. Skaggs and asked him, and he said, "No, send it to the congressional committee," and, "I'm very happy to send them the information, so complete the questionnaire and send them the data they ask for."

Morris: Was this before 1969--?

Jelley: Yes, it was in connection with, preparing for the congressional hearings that led to the adoption of the 1969 act.

Morris: Right. Do you suppose that was sort of a form questionnaire that was sent to all foundations?

Jelley: Oh, I'm sure it was.

Morris: But nobody ever asked you to follow that up by testifying?

Jelley: No. I think they were just searching for statistical data as to who's doing what and how much and so forth. But no one ever asked me to.

Morris: Some of the provisions of that law included a requirement that foundations pay out certain amounts, and pay fees of various kinds. Were any of those new requirements a concern to the new Skaggs Foundation?

Initial Grants Budget; Trusts

- Jelley: No, because what Mr. Skaggs was doing was that Dr. Forsham presented a budget each year. The 50,000 shares of stock--let's see, it sold for \$18 a share, so whatever that worked out to--was being administered by the Bank of California. They would tell us how much income there was going to be from that, and then Mr. and Mrs. Skaggs would write a check to make up the difference.
- Morris: Between the foundation's income and the budget that Dr. Forsham presented?
- Jelley: Right. And so the whole idea was basically that it would be sort of a conduit. The amount for grants was never to be limited to what the income yielded. If it didn't come from the foundation income, then Mr. and Mrs. Skaggs would make it up.
- Morris: Am I right that there's a representative of the Bank of California as one of the trustees of the foundation?
- Jelley: Yes.
- Morris: Is that a customary kind of thing, that the financial --?
- Jelley: It was one of the things that he wanted. We talked about the composition of the trustees. He put in three requirements of the five people who are on the trustees. He felt that one person should be the attorney, which is me. That there should be a representative of Pay Less Drug Stores as long as the Pay Less stock was being held. And, that thirdly there should be a representative from a financial institution. That's the way that the bylaws set it up, and probably it's in the articles. I think that the governing documents do say a financial institution, and that has always been a person from the Bank of California trust department.
- Morris: And then the other trustees, did he have any particular suggestions?
- Jelley: Well, he definitely wanted to have Dr. Forsham. He was one of the original trustees. So that the original trustees were himself [Mr. Skaggs]; Dr. Forsham; myself; the person from the Bank of California at that time, whose name was Larry Allison, and a person from Pay Less, who at that time was Chuck, Charles Gregory. They were the original five.
- Morris: Was that frowned upon by the Tax Reform Act? I noticed that after a while, the Pay Less person disappeared. Was that--?
- Jelley: That was when the stock was sold.

Morris: And then the new trustees taking that slot have been not connected in any--?

Jelley: No, the only two trustees that are still there are me as the attorney, and now Donald Crawford as the person from the Bank of California. And the other three are just wide open.

Morris: Are they usually recommended by the present trustees?

Jelley: Yes. For example, in connection with Donald Crawford, there were several people from the bank who were suggested by the bank, and Mrs. Skaggs knew Donald Crawford, had known him for a long time. He was the trust officer for the probate of Mr. Skaggs' estate. So she wanted to have him as a trustee, so in effect she selected him as the person.

Mrs. [Catherine L.] O'Brien was a friend of mine, was someone that I recommended, and she came on when the last person from Pay Less, a fellow by the name of Ken Lett, left.

Morris: So they've all been people primarily from the Bay Area?

Jelley: Yes.

Morris: I'm interested that, talking to Mrs. Skaggs, much of their life was actually spent in Oregon and other parts of the country, besides California. Was there any special reason for setting up the foundation here in California, and focusing much of the giving in California?

Jelley: Well, basically, by the time that they had set up the foundation, which was 1967, they were living here permanently. The interests in the stores in Washington and so forth had all been sold off, and all of their business activities and personal activities were here in California.

II EXPANDING PROGRAM IN THE 1970s

Interest in the Arts, Education

- Morris: Was it much of a debate to begin to expand into other areas than the medical research? Looks like it was about--
- Jelley: No; it was after Mr. Skaggs died. He had already received several requests, so it gave us a chance to kind of talk about the fact that one of these days we were going to be doing other things. Then when he did die--he died December 9, 1970--as the estate was going on and funds were coming from this estate into the foundation, we saw that the income was going to go up. For 1972, I made several suggestions. I talked to Mrs. Skaggs to see whether she thought that we should now consider making grants to projects other than the Metabolic Research Unit, and she agreed. We had been talking about it for a while, that this was a good time. So I made several recommendations. I think that sort of got us started, and we branched out from there.
- Morris: It looks like the San Francisco Opera was in that first category.
- Jelley: Right.
- Morris: How did that come about?
- Jelley: From my own interest in the opera. She likes the theatre, she used to talk about listening to opera on the old victrola--
- Morris: Wind-up--
- Jelley: Wind-up, records, and would have--although she had not--attended opera, but that was not Mr. Skaggs' cup of tea, but she used to go to the matinees at the Curran and the Geary, and was very interested in the theatre. I've always been very, very interested in opera, and I suggested this to her. I think it was a \$7500 grant in 1972. When you compare to the fact that we've given them \$300,000 this year, it's quite a [laughter]--.
- Morris: Well, I believe that's about fifteen years of pretty much sustained support of the opera.

- Jelley: Right. And one of the other grants was Occidental College, in that first year. That was because she said that she'd like to--she thought that it would be important to give money for education for youth, and wanted to know what suggestions I had. I said, "Well, my daughter is going to Occidental College, and I think it's a great school," so she said, "Fine."
- Morris: They always need money.
- Jelley: They always need money, and she likes my daughter, and so she said "Great."
- Morris: Do you have any kind of recollection of how many requests would have been coming in by 1972?
- Jelley: Very few. We would get maybe twenty a year. Very, very small. Because at that time, it was so definitely a medical-oriented foundation that a lot of people wouldn't try. For example, the situation with regard to Occidental was--I just sent them a letter saying, "We have given you a grant." From their point of view, it came completely out of the blue.
- Morris: Unconnected to any particular--
- Jelley: Unconnected to anything. So the development officer was on the next plane to come up and talk to me. He said--he's a fellow named Bob Magnusson--that they were very surprised, because they had done the research, they had found our foundation in the various directories, but that it had been noted as being primarily interested in medical research. They had looked at these grants which had been made, and they were grants related to medical matters. They couldn't figure out how Occidental College could come in as a medical grant. So even though they'd heard of the foundation and had investigated it, they didn't even apply.
- So there is always several years' lag, when you make up your mind you're going to go into an area, or you're going to discontinue an area, until it all gets out to the public. It's just like when you move, you change your address, it takes a long time for the mail to finally come to the new address. It's the same thing when you change the direction of the foundation; it takes several years before it all gets caught up with and people start to realize you're doing various things.
- Morris: But the medical field had not been beating a path to your door.
- Jelley: No, because the way that the medical field works, if you are giving all your money to metabolic research, which is primarily concerned with diabetes, the cancer society doesn't come to you.
- Morris: I see. So there's some kind of specialization within--

- Jelley: Right. In other words, that you're interested in this particular area, you're not interested in podiatry. So we would not get requests from them. However, we would get requests from the Joslyn Group in Boston, which works with diabetes and everything, because they had us down as a diabetes [donor].
- Morris: But you didn't go that far afield in those days, to support the Boston group.
- Jelley: No. It was limited strictly to the Metabolic Research Unit. Or some work in helping set up the California branch for the American Diabetes Association.
- Morris: How about the Monterey Institute of Foreign Studies?
- Jelley: That again was--the president was a person who was a personal friend of mine, and Mr. Skaggs had lived for several months during the last year he was alive on the Monterey Peninsula. I had had a chance to introduce Mr. Freeman, the president, to Mr. Skaggs. He was very impressed with him, and with what he was trying to do, which was to take this small school and really make it into something. Mr. Skaggs liked to travel, and Freeman was an incredible person. He was a retired foreign service officer, had bicycled across China, and been ambassador in Peru--just done all sorts of interesting things. Mr. Skaggs said that he wanted to help out what the institute was doing.
- Morris: It sounds like that too was sort of a generalized support grant, rather than helping out a specific project that was--
- Jelley: Yes. Well, there were a couple of things that we did with them. We gave them grants for several years. Freeman died, and they've gone through a couple of presidencies to try to get back on track. We made one grant to assist them to set up a development department, to help them go out and get money. We made another grant--a couple of grants, as a matter of fact--to enable them to develop a library, and to provide for periodicals, which of course were all foreign. There were some grants along that line.
- Morris: This is not the government foreign language institute? It's a private--?
- Jelley: It's a private school, but it works with the Presidio, the Defense Language Institute there in Monterey. But they are two completely separate things.

They had a couple of programs that were very good. First they developed interpreters, and they did give a degree for people that were becoming professional interpreters for international conferences and so forth. They also had a program which would go for a couple of months at a time, which was a total-immersion type of program for American executives and their families who were

Jelley: getting sent abroad. So that if a family was being sent by, say, their corporation to Brazil, they could go there, learn Portuguese, learn a little bit of Brazilian history, what the customs of Brazil were. The whole family could go. This was a--and I think still is--a very important and successful program.

Discretionary Grants

Morris: I should think so. My notes say that it was about 1972 also that the budget--added to the budget was a small discretionary fund for the foundation administrator. That would be you?

Jelley: Right.

Morris: What was the thinking on that?

Jelley: Just that there would be times when it would be appropriate to make a grant other than the times that we were having our regular director's meetings.

Morris: And had you said there were things that come up, or--?

Jelley: I can't remember specifically a particular grant request. But if we meet on the first of June and are not going to meet again until November, and on the second of June a really great proposal comes in that you want to do something with right away, and you have to wait five months, it was felt that there should be something like that. We weren't big enough to meet every month, or more regularly, and there didn't seem to be any demand in people's minds that we should be taking care of these things by more regular directors' meetings. It just seemed to be better to have this small amount. That's another thing that has grown over the years.

Morris: The manager's discretionary fund?

Jelley: Right.

Morris: I would think so. As the assets have --?

Jelley: As the assets have grown, and I think as the directors have also become more confident in--##

Morris: [Did Mrs. Skaggs] have any reluctance about taking on the presidency herself after her husband died?

Jelley: Well, she was elected a director at that time. She said that she'd be happy to be a director, and to be the president, as long as she wasn't asked to say anything. [laughter] So we assured her that we wouldn't. But I think also the other trustees, the people that

Jelley: were the trustees at that time, felt very strongly--and I still feel strongly--that it was their [Mr. and Mrs. Skaggs's] money, they worked for it, they worked very hard for it, and that they should be present, and should have some input if they wanted to. They should not be excluded; they should be included so that if there was a grant proposed which they felt was inappropriate, they should have a chance to be able to express themselves. So that even if they didn't want to say anything, they should still have the ability to say something.

Morris: In general, have the trustees, including Mrs. Skaggs, felt comfortable with what you as the manager and then the other staff have proposed?

Jelley: Yes. I don't think that there's really been any criticism or--I should say--lack of comfort in what has been suggested or the various programs. There are some things that I frankly have been very disappointed in, and I'm really kind of embarrassed about.

Morris: Grants that have been approved that you are disappointed with yourself?

Jelley: Yes, in the results. And some things that I have thought, Gosh, you know, our name is attached to this? That kind of thing. But I think that happens. That is likely to happen with any foundation that is going out and making grants, unless you're going to do everything completely safe.

Geographical Outreach

Morris: What kind of discussions were there about whether the grants should be primarily in the northern California area, and thoughts about moving out into other parts of the state and country?

Jelley: Well, I think it's sort of something that just kind of grew, as various requests came in. Initially, everything was in California; everything was in San Francisco with the Metabolic Research Unit. And then we started to have things in southern California, and then some requests came in from outside the state, which were better than anything that we saw. It just sort of grew.

The problem always has been just the ability to monitor and review requests, and then monitor grants which are made for things which are outside of northern California where you can jump in your car and go see.

Morris: Has that been the idea from the beginning, that you go and see all of the grants that are approved in the approval process?

Jelley: Right. And the directors used to be involved with that. And they could very easily when there was a smaller grant budget, and the directors were involved in the application process. But it just got to the stage where there were so many coming in that we started having to have staff. And so as the staff came in, and particularly with Jillian [Steiner Sandrock]'s arrival in 1977, the directors have been sort of less and less involved in that aspect of the process.

III MANAGEMENT CONSIDERATIONS

Adding Staff, 1977 and Later

- Morris: At that point in 1977, before Jillian came aboard, how much of your time were you spending on foundation management affairs?
- Jelley: I was spending about one-third to forty percent of my time.
- Morris: Really. That kind of cuts into your other legal, profession responsibilities.
- Jelley: Right.
- Morris: Was that kind of the reason for getting somebody just to focus full-time on foundation matters?
- Jelley: We were getting to the stage where funds from Mr. Skaggs's estate were starting to come in. The foundation income was increasing. The number of requests that we were getting were starting to become larger, so I really just needed help.
- Morris: Right. By 1977, the grant total was \$650,000.
- Jelley: Right.
- Morris: By that time, there was the beginnings of what's now Northern California Grantmakers, then called the foundation officers' group. Did you take part in that?
- Jelley: Oh, yes. I was very much involved in that for several years. And then when Jillian came, I sent her over and kind of dropped out. She was involved, and then Laura [Lederer] came and became involved. Now I'm back involved in it again, I've stayed involved on a trustee basis. Last year I was vice chairman of the Northern California Grantmakers, and this year I'm the treasurer.

Foundation Colleagues' Lunch Group

- Morris: In the early days of that in the early seventies, what were their concerns that were of special interest to you?
- Jelley: Basically--they at that time were not Northern California Grantmakers, there was a very informal group that met once a month for lunch in the offices of the Irvine Foundation. Lew [Llewellyn] White, who was the assistant director of the San Francisco Foundation, was basically running or keeping it going. There would be about twenty-five of us. What he would do is have a speaker who would be someone from the community, or a field that might be involved in grantmaking--in receiving grants, so that they could come and talk about, say, drug programs. So here was someone you could ask, "Is this a good organization or bad organization," if you were getting an application to support drug programs. They'd have different ones each --
- Morris: Grant areas--
- Jelley: Program areas. Then they shifted over to the idea, when they started to have various problems in connection with the administration of foundations, they started to shift to concerns about administration, and about running foundations. Just sort of professionalism of foundations. But it had originally started off as just a chance to meet other grantors and particularly with these program-related speakers who came and spoke each month.
- Morris: Who in the Bay Area foundation world did you have particular contact with?
- Jelley: Well, John May, of course, whom I have kept up with over the years, and at that time was head of the San Francisco Foundation. There was a foundation that's down in the peninsula, a small foundation which was about the same size as ours was at the time, although we're much larger now, called the Luke B. Hancock Foundation. And Noble Hancock was the person that was involved. My father had been a very good friend of Guy Atkinson, and our family had been of the Atkinson family, Don Grant from the Atkinson Foundation was a member of the group, and I was very close to him because of the family connection.
- Morris: Atkinson. Is that a company foundation sort of? Or is--I know the name, but it's very vague as to what areas--.
- Jelley: They are very heavily involved with the Presbyterian church programs. Mr. Guy Atkinson was the contractor that built the Grand Coulee Dam, and he built Big Sur, the highway, and what have you. Was just very well known.

- Jelley: But I think that the foundation still basically comes from the company, which is a privately held company. It's now in effect run--well, Guy Atkinson has died, although his second wife is still alive, lives down on Wilshire Boulevard in Los Angeles, Rachel. His sons, Earl Atkinson and the next generation, are the ones running the company, and the foundation offices are there. So I think that basically the money comes from the company.
- Morris: Rather than having a separate--?
- Jelley: I don't think they have a separate endowment. But I'm not sure. That's just my impression.
- Morris: Right. Well, I ask because I have seen their names in the foundation directory, and yet they're not terribly visible in the kind of proactive granting that--
- Jelley: No, they're a very conservative group.
- Morris: Was John May a source of advice in --?
- Jelley: Yes. He was sort of the grand old man in the foundation world, at least in the Bay Area. Although Lew White was the one that was mainly there with the--running the lunch bunch, and he was someone that I personally related to, I had known him. He was an Episcopal--technically still was an Episcopal priest. He had been the rector of St. Stephens in Belvedere, and then he left the active ministry and had gone with the San Francisco Foundation. I had known him before, so he was sort of an entre. But John May would come, and he was a very, very helpful person. He was very interested in foundations in general, and helping to start foundations and get foundations going.
- Morris: Did you find the lunch bunch helpful in any specific ways in terms of what you were doing with the Skaggs Foundation?
- Jelley: Basically what it did was it gave me an opportunity to meet other people, and it gave other people an opportunity to know about the Skaggs Foundation.
- Morris: At that point in the early seventies, was there much in the way of cooperative grantmaking, or any sense that foundations were interested in the same kinds of things?
- Jelley: Not so much. It was all pretty much on a personal basis.
- Morris: You mentioned that, for a while, the meetings used to deal with administrative problems. What kinds of administrative problems?

Jelley: Just how you'd set up and organize, how you'd handle grants. Just the running of a foundation. That seemed to become very important to the group. An important issue that the group wanted to discuss. And as more people came to join or come to the groups, it just sort of got unwieldy. So I dropped out.

For example, there was to be one person from each foundation that was supposed to come. That was the idea.

Morris: As the resource person.

Jelley: Right. Well, then you had the Vanguard Foundation, and they insisted that all of their people come, so they would have eight Vanguard people there. The whole thing just sort of, I thought, got very awkward and out of hand.

Morris: Vanguard operated sort of collectively in that way.

Jelley: Yes.

Ethical Concerns

Morris: Was some of this concern with administration because there were a number of new foundations around, or just that foundations were gearing up to add staff?

Jelley: Well, I think a lot of it was the beginnings of what was happening as part of the fallout of the '69 act. That a lot of the very casual ways that things were done--trustees walking in saying, "Hey, I read an article in the newspaper, let's send \$1000 out to so-and-so." And of course, the Patty Hearst case really upset the foundation community quite strongly [in 1974]. I think there was just the feeling--

Morris: The business about the Hearsts were to give money to the food for the poor program?

Jelley: Right. In other words, the Hearst Foundation gave money which was strictly ransom money for Patty Hearst. This was not an interest of the Hearst Foundation, it was quite clear that the Hearst Foundation was giving money to this food program--

Morris: Because it was a demand--

Jelley: Because it was a demand by the kidnapers of Patty Hearst. The foundation put itself into the position where they were just a tool of the Hearst family. It was not acting like an independent foundation serving the public. That I think was a very--I think it was the wrong thing for the foundation to do, and it certainly, I

- Jelley: feel, increased public skepticism about what are these foundations, where you just run down to your foundation and they come up with \$50,000 to ransom your daughter.
- Morris: That's a tough question. Did [their executive] Mr. [Charles] Gould ever come and talk to the lunch bunch about this?
- Jelley: He never did. He came to various meetings, and he was--I have met him and talked to him at grantmaker groups, but he never--.
- Morris: Nobody from the Hearst Foundation addressed this concern in a meeting?
- Jelley: No.
- Morris: That's interesting.
- Jelley: Anyway, it was examples like that that gave us the feeling, hey, we're setting ourselves up for some real problems unless we do things the right way, so let's do things the right way and let's tell people how you do them, and be sure that we're all doing things. And I think at this time there was also the Filer Commission report, and the growth of Independent Sector, the start of the organization of Pablo Eisenberg [Committee for Responsive Philanthropy]. But anyway, there was growing awareness on the part of the public, and also awareness on the part of the foundation community that things had to be done professionally, following certain procedures. So that one way that this group, this lunch bunch, could act was to give suggestions and recommendations as to how you should run a foundation.
- Morris: The Irvine Foundation itself had had some eyebrows raised at it for similar lack of responsiveness to anybody but internal members.
- Jelley: Yes. Well, that was Joan Irvine's lawsuits and things like that.
- Morris: But they were interested enough to host the meetings.
- Jelley: Well, they had a large conference room there at their place in Sutter Street; it was just a convenient spot.

State and Federal Regulation

- Morris: How about the California attorney general? Doesn't that office have a supervisor of charitable trusts?
- Jelley: Yes, the Registrar of Charitable Trusts. We've been audited by them several times. It's kind of the feeling that they're interested, one, in what makes a big name, what is a lot of

Jelley: publicity. In other words, what is a newsworthy story. So in other words, they took on the Conrad Hilton Foundation in connection with Barron Hilton trying to exercise the right to buy the hotel stock owned by the foundation. They get involved in that. And they also want to get involved in situations where they think they're going to be able to get a penalty or some money, so that when they go to the legislature, they can say, "All right, we've done this and we've gotten empty-ump thousands of dollars."

Which is the same way the IRS works, I think it's sort of that type of an attitude and approach. They really are not I think as probative as the Internal Revenue Service is in their audits.

Morris: But the people in that Registrar of Charitable Trusts office--
[interruption--telephone]

Morris: I was asking whether people in the Registrar of Charitable Trusts office were accessible at all for some of these kinds of questions in the foundation community about interpretation of the law, or--?

Jelley: Well, I'm sure they're accessible. But you never really want to ask, you may not get the answer you want. So usually you make up your mind and you go ahead and you do it, and are ready to explain it afterwards.

Morris: I see. Well, there is that.

Jelley: They really aren't set up to give an advisory opinion that can be binding.

Morris: That's true. I was thinking of it more with something like this neutral body of the lunch bunch. I was curious as to whether they had ever thought to ask somebody from the attorney general's office to come and talk to them.

Jelley: Oh, yes. And they did.

Morris: Like the interpretation of the 1969 act?

Jelley: Yes, I guess you could call it that. It was basically what are you doing these days, what are you looking for, when you come auditing, what do you check out, and things like that.

Morris: I was just interested, because they're sort of an invisible part of the--

Jelley: Oh, they're very much there. But as I said, the experiences that I've had in the audits from them have been more related to the financial ends of it, and searching for a potential conflict of interest, and things like that. They really do not get involved in the grants per se, whereas the IRS does. They will come through and they will check your files to make sure that the people you

Jelley: grant the money to do have a 501(c)3 letter, that the money was really spent as you said, that you followed up with it. So that they're not coming in and saying that this is a bad grant, or this is an organization you shouldn't grant money to; but they want to make sure that you do follow up on the grant process.

We've had--I can think of just quickly three audits from the Registrar of Charitable Trusts, and they have never once gotten into the grant aspect itself.

Morris: Audits of specific grants, or just general--?

Jelley: Oh, general audits. Yes. When the IRS comes through, at least two times that they have done it, they have asked to see files at random. And then they go through the files to see how the grant was developed. No one's ever said, "You shouldn't give money to this group," or made a decision on that basis because they didn't like the group, because it was in England and not in downtown Oakland, or something like that. The main thing was, was there an application? Did they have their--were they an appropriate charitable body? Did you give them money? Did you make sure that they'd spent the money on the program? Did they give you a final report? Just basically that you had run a good grant.

IV EXPECTATIONS AND INFLUENCE

Grantee Accountability

Morris: That's interesting. At what point did the Skaggs Foundation set up procedures to follow up on grants once they're approved?

Jelley: Oh, from the very beginning.

Morris: You said that occasionally you've been disappointed in grants. Was it because they didn't spend the money wisely, or just that the project didn't turn out?

Jelley: Well, sometimes things just didn't turn out. The people you thought were going to do it kind of let you down. The end product I thought was unworthy. If I had realized that was going to be the end product, I never would have given them the money in the first place. Some grants just haven't turned out the way I thought they were going to.

Morris: Do grants generally turn out the way you thought they were going to, or is there a percentage of unexpected results?

Jelley: Oh, there's always that. The organization doesn't get going, they aren't able to attract other funding--you know, a number of things can happen that would change the result. And if you're dealing with responsible groups, they tell you and give you the money back, and they've got a few brownie points the next time they come asking.

It's always a disappointment. You get all excited about a project, and you've worked with a group, but you're not ready to fund the thing yourself so you want to have some evidence of local support, and the local support doesn't come through and you have to send the money back because the project doesn't get going. Here you're all geared up and think it's great.

Morris: You're speaking as a grantee. You sound like a grantee.

Jelley: Oh, I do? [laughter] Well, this happens. You really are working --if you have a grantee that has a project, I feel very strongly that you're supposed to work with them. It's not just a question that the request comes in, you give them the money and that's it. You try to provide assistance and help, and not only in connection with preparing the proposal, to get that in shape, but also in any way possible.

Technical Assistance

Jelley: This is an example--one of the things I was doing this afternoon before you came was writing a letter to a group in England who is considered to be the hottest exhibit designers. I wrote just to find out about them and explain who I am, asked for whatever material and brochures they have about their organization, because I keep a list in a file on exhibit designers in America and in England, so that if there's an organization that's coming to us for a grant and one of the things that they want to do is to have an exhibit or design, I can say, "Here's some people that I know that I've worked with in the past, and I think they're good, and I suggest you go see them and talk with them."

Morris: Particularly in relation to the historical program?

Jelley: I was using that as an example. But it cuts all across the board. As you work in areas, and Jillian can tell you the same thing in connection with folklore, folk life, people come to her because she knows everybody. People came to Laura because she knew everybody in connection with toxics, when we were very heavily involved with that. She knew all the people, she knew all the players around and could give help and could be a resource person. Our board is very supportive of this, and has been very encouraging throughout. If we're going to become experts in the field, we shouldn't just sort of sit here and hide it, but be ready to go out and help and work with all groups.

Morris: And bring people together, not necessarily around a specific grant, but around--?

Jelley: Sure. And for example, I just this past spring received a request from a group--I had been working with a group who was doing a work in West Africa. This is the Freedom from Hunger group. I received a request from an organization in Arlington, Virginia, very detailed, very well thought out, that wanted to do exactly the same thing. Except they wanted to make a planning study. The Freedom from Hunger group had already done all the planning work, and had a program in process. Same country and all that. So I was able to write the Arlington people and say, "It's a great program. As a matter of fact, we think it's so great, we've supported this group

Jelley: here. You get in touch with them." And they did, and I heard from both of them. So there was a case of being able to put two groups together. That's--

Morris: Did they succeed in working together on--?

Jelley: Yes. Because they were working with different tribes and different locations, but it was the same country, they'd gone through the same process. As you start to deal in particular areas of grantmaking, especially if they're not ones that are covered by a lot of foundations, like folklore or folk life, people--we've been doing it for ten years, and people know Jillian. She doesn't go the Council on Foundations conference, she goes to the American Folklife conference. So that she's there, she gets to meet people, they know her and they'll call and they'll talk. You become a resource person.

Morris: That's interesting. That sounds like you could foresee a time when a foundation that worked in this way would move over into being almost consultants rather than funding agency.

Jelley: I think this is what's happened with the Ford Foundation and the Rockefeller Foundation and things like that. They have become such experts in their particular field, whatever it is, that the person is a consultant. He is sort of a guru in that particular area, and he can be a maker or breaker. Mac Lowry at the Ford Foundation in the field of performing arts, especially ballet and dance, he's-- people don't look upon him as a grantmaker, they look on him as one of the main tastemakers in the field of performing arts. If he decides he's going to give money to Twyla Tharp, she'll do great. If he decides not to give it to a particular dance group, that dance group has a hard time.

Morris: Yes. Is there a down side to that?

Jelley: Well, yes. It depends upon who the person is that becomes the tastemaker; but that's always true, whether it's the music critic in the paper or whoever it is. Anyone's in a position to influence, whether it's through being a critic and being able to influence through writing in the newspaper, or to be able to influence through the giving of money, or whatever. You've always got that risk that their influence may not be used for the best, either aesthetically best or what have you.

Narrowing Granting Focus

Morris: Yes. But it's an interesting new development, I would think, as foundations have begun providing technical or expert assistance.

Jelley: Well, foundations--right. And as foundations have tremendous power in connection with the ability to grant and to withhold funds, it can mean life or death for many organizations. If they do not get their money, or if they've gotten money and all of a sudden they don't get any more, it puts a greater responsibility on the foundation people. We cannot be the casual, "Gee, they sound interesting, let's give them money," or "Should we give the money to the panhandler on the street" type of thing. You can't do it that way any more, if you're going to be responsible to the community and to society. You have to be careful; you have to go through these various steps and processes to be sure you're doing the best you possibly can.

Morris: Does that mean that over the years, you tended to narrow the focus?

Jelley: Yes, and I think you come to this. We, for example, will not get involved with programs for the handicapped. That doesn't mean to say that there is a decision that handicapped people shouldn't be helped, or programs for the elderly, for example. There are prime needs for programs for the elderly and the handicapped, but it's just that we can't be all things to all people. We can't be a brain surgeon and a podiatrist at the same time. We have to stake out an area, and be able -- ##

Morris: You were in mid-sentence about the responsibilities narrowing-- would require you to narrow down a program.

Jelley: I think we still want to be in the position where we can go to various fields of interest, and we have changed categories. But I think we've also come to realize that we cannot be an all-purpose foundation; we just simply aren't that big, and we don't want to become bigger staffwise. So that we will be focusing even more narrowly as the time goes on.

V PROJECTS OF HISTORICAL INTEREST

California Missions and English Churches

- Morris: One of the programs that I think has been really challenging, partly because I'm in the same field myself, is the history field. You're in very elite company in foundations, there are very few that work in the field of history.
- Jelley: Right. Which in a way sort of proves what I was saying earlier, that we are well known. People come and ask advice about who is a good exhibit designer. There's so few people out there, I do gain a reputation, enjoy a name; so that as I said people from England will ask, "Who do you know, who have you made a grant to, who's prepared an exhibit that you think is a really good one, that we can talk to?"
- Morris: Was the Westminster Abbey restoration the first venture into the field of history?
- Jelley: No. In England, our first history grant was through the National Trust. The first venture into the field of history was through the California missions. We made grants to Mission San Juan Bautista, and then we made grants to the California State Parks Foundation for programs at the state parks level. And then went to England, making grants to the National Trust. And then from there to more specific churches and abbeys and so forth.
- Morris: What kind of discussion was there amongst the trustees about going overseas?
- Jelley: I prepared, as we do when we are going into a grant field, a report which is sort of a general survey of: this is an area of concern, these are the programs which are existing, and what have you. And in history, the English do it better. They do it more effectively, more economical, they're much better organized.
- Morris: On restoration?
- Jelley: Just history in general, there is a greater sense of history and tradition.

Morris: They've got more of it.

Jelley: Right. But they've got a lot of the same problems that we have, and I think it was--I certainly felt, and I was able to convince the directors--that we can learn a lot that would be helpful here in the United States by becoming involved in the English experience, plus the fact that one of our charges was our historical heritage and cultural heritage. And that historical heritage was England--Westminster Abbey is a very important part of our heritage.

The first grant we made was to the National Trust, which was the purchase of some land to protect Hadrian's Wall--it was East Bog Farm, wonderful name--we talked about it, and I said, "If you're going to talk about historical and cultural heritage, the Romans and Hadrian's Wall is certainly one of the--"

Morris: Pretty far back.

Jelley: Pretty far back, but it's pretty definitely part of our heritage. And so we--.

Importing Improvements in Presentation and Interpretation

Morris: When you say that there were things the foundation could learn to be of help in the United States, is this about historical interpretation, or preservation, or--?

Jelley: And use of properties. For example, the ability to have living history programs. The California Parks and Recreation Department and the National Park Service have various living history programs. They have them at Fort Point, they have it at Fort Ross, they have it up at the Vallejo home and the Old Bale Mill, and Petaluma Adobe--various programs. But it's just not as well done. It's not part of the educational process. They don't have the material to send out to the teachers beforehand. The teachers look upon it as a way to get a couple of free days, and the parents come and spend the night with the kids.

And the English go into greater depth. You're studying about your heritage, this is what it is, these are the programs, you're prepared to come, you follow up afterwards with writing essays and stories.

Morris: They incorporate it into the actual school curriculum?

Jelley: Right. And it's not just a little extracurricular time for the teachers to have a break. The teachers are working just as hard. And here, they sort of turn it over to the parents, they look upon

Jelley: it as a parents' club outing. So that's one example, and we supported the living history program of the National Trust for three years. They've written books on what they've been able to do, and how do you use actors in connection to make history come alive.

Some of the lessons that they have learned in connection with presenting historic houses, are being used now in, for example, Williamsburg. Also, the National Park Service is using actors now who are living a part, just not a ranger dressed up in a Civil War uniform, but actors who give the flavor and the feeling of the time and of the use of a house or particular piece of property. I've seen some incredible things in England as far as an effective way to make a house, or any type of an historical building or site or ship or event or what have you, come alive. There is so much going on now that it's just amazing.

In York in England, they've got this Viking town, it's the old Coppergate area. And what they've been able to do, just on the basic things of how you get people through the exhibit, little tiny details. For example, it starts at the street level and it goes down, and you ride down in carts, but you go down backwards. And as you go backwards, you're going through the centuries, so you're going back where the old Coppergate and the Viking were settlement was many centuries ago. And that little touch is very meaningful. There's lots of little things like that that can be a very, very effective way of making history come alive.

Morris: Has the foundation looked for ways to get some of those ideas used in this country, or do you let the normal process of professionals getting in touch with each other disseminate information?

Jelley: Well, both. One of the things I do is to put professionals that I know in touch with one another. One of the things that we would do--for example, there is a person who has the American History Workshop in Brooklyn whose name is Richard Rabinowitz, who is I think just a bloody genius on history and on interpretation. So we will provide a grant for him to go out and consult with groups all over the country in connection with their projects. We've done that in various areas, provide his consulting fee, so that we're sure that a group is getting what we feel is the best possible recommendation and advice.

Morris: Does an organization write to Skaggs and say "We would like a grant in order to hire Rabinowitz," or does Rabinowitz get in contact and say, "I would like to go tour around to these people but I need travel money"?

Jelley: It works both ways. But usually the situation is that they will get in touch with Rabinowitz and say, "We would like to have you consult with us for a day." He'll say, "Do you have the money?" They'll say, "No." He'll say, "Well, write to the Skaggs

Jelley: Foundation." My practice on this is that we'll put up half the money if they put up the other half. At least that means that they're serious about having him come and hopefully will take his recommendations, or at least listen to them seriously. When they were having the constitutional bicentennial last year in '87 we provided a number of \$750 grants for his \$1500 fee to go around to various groups, helping them set up exhibits, programs and everything else in connection with the constitutional bicentennial.

Morris: Now, do things like that come under the director's discretionary fund, or are they in the history--?

Jelley: Well, that's a good example. They came under the discretionary fund, because of the amount. But we have made larger size grants for programs in which he has been involved in doing the historical interpretation. And there are several groups here in the Bay Area, excellent exhibit designers, who I recommend.

We have one that's going on now, the designer's name is Daniel Quan, over in San Francisco. He did the Point Reyes Visitors Center. If you've been over there, it's a wonderful thing. He's doing one now for the Mt. Diablo State Park. But I was able to recommend him for a group in Placerville--it's called Hangtown's Gold Bug Mine--to work out an interpretation. And it's everything: What are you going to do? Do you have the people walk back in the mine? Some people don't like to go in mines, so you have to have something to tell them what it's all about. Do you do all displays? Do you do audio-visuals? Just the whole thing. They come through, and they consult and work out a long range plan.

Then people have something that they can really go around and sell. They can either go to the state and--for example, that's the Gold Bug Mine--to try to get some state bond moneys. They can use it to go to the local chamber of commerce, saying, "Here, we have this plan, this is what we are going to do," and they can go to foundations and other donors. All too often, people have a problem in just being able to develop a plan and how's the exhibit going to look, and how is it going to be developed.

Generating Additional Support: Patent Potential

Morris: Have you been at this long enough so that you've got any data on how much leverage has been produced in terms of what people have been able to raise in local projects, and how much increased attendance?

Jelley: Yes. It varies. And a lot depends upon exactly the area in which it's involved. In history, there has not been as much leverage as, for example there has been in performing arts. I don't know why

Jelley: that happens to be so, but in a performing arts situation, you give \$10,000 to a symphony, they can parley that into \$50,000 with astute--

Morris: Better developed fundraising--

Jelley: Probably fundraising techniques, or something like that. And possibly greater visibility, or something. But the ability to use funds to generate funds, either through leverage or other ways, is, of course, something that directors like to see, although they do not want to be in the position of making a decision based upon "Is this going to make money?" for the group, or for themselves.

We've had several discussions on that in connection with some of our grants when we've been involved with programs from which patentable items will result. Some foundations demand that they have the patent rights, so that they're giving the money for the research and the patent's development is licensed to Eli Lilly, or something like that; that the foundation should get part of the royalties, because it was their money that made the research possible in the first place.

Morris: Has that come to pass in some of these cases, that a foundation has been granted part of the patent rights?

Jelley: Yes. It's not that uncommon. But we have had the opportunity, and we have considered it. The research that was done by Professor [Erhard] Winkler at Notre Dame in connection with a preservative for limestone monuments is patentable, and we were asked by Notre Dame as to what our requirements would be. We determined that we would not ask for any royalty, that we felt that we wanted to make a decision based upon whether or not it was a good project. We didn't want to make a decision based upon whether or not we were likely to get money back from it.

Restoration vs. Research

Morris: Did you go looking for somebody who could do something about restoration of rock? I came across that in the annual report.

Jelley: Yes. We've gone to a couple of people, because we think it's very important. We tried once at the University of Virginia, and that one didn't work out too well. Professor Winkler has worked out to

- Jelley: be a little bit better, simply because I think he was much better recognized in the field, and I think he had much more support from the university.*
- Morris: The British didn't have anybody working on this?
- Jelley: Yes, they do, and they've got different techniques that they're still working on. But see, over there they really don't need the money for that purpose, for their research purpose, as much as they do for just buying it and putting it on the monument.
- Morris: Right. But their monuments are much older, and the stones are more decrepit.
- Jelley: They are. And they are trying different ways of preservation, but they have the money for that. They get that from the government.
- Morris: For preservation techniques.
- Jelley: Yes. They'll get the money to do the research, to determine how it is done but once they've done the research, where they need the money is to actually carry it out in the field, in practice. And it's the other way around in the United States: it's difficult to get the money for the research, but once you've got your product, it's awfully easy to get money to do the work.
- Morris: To restore the building.
- Jelley: To restore the building. I see you're shaking your head. Did I explain it clearly?
- Morris: I'm not sure. Let's try it once more. In Britain, there's government money to do the restoration--
- Jelley: No, to do the research. But there's not money for the restoration part. And here, it's easier to raise money for restoration than it is for research. If you want to save the Paramount Theatre, it's much easier to say, "We're going to go ahead and we're going to save it," than, "Please help us find the chemical that's going to allow us to preserve it." That just doesn't have the pizzazz of fundraising. It doesn't have the pizzazz in England either, which is why the government provides the money.

 *Dr. Winkler received Skaggs Foundation grants in 1980, 1981, 1983, 1984, 1986 and 1987 for his work at the University of Notre Dame on developing preservatives for sandstone, limestone, and other hard materials used in construction of buildings and monuments.

- Morris: Yes. An editorial in the Tribune today says that it's a pity the United States does not have a public policy on encouraging science research. When you began work on this preservation business, did you foresee that the program would develop? Did you hope it would expand with all these fascinating ramifications?
- Jelley: Well, I think from the very beginning, there had been the idea that it would be preservation per se, but there would be other aspects of it, which is why it was called Projects of Historic Interest, so that it does cover oral histories, and it does cover archival work, it does cover the interpretation, more than just preserving the building as such. So I think I would say there are three aspects of the history program: the first is the preservation. That's the pure--save the building from falling down. The second is the interpretation, the exhibitions, the how do you explain why you've saved the building? And third is the archival, oral history, publication aspect of it.

VI GRANTS BUDGETS; AN UNUSUAL GRANT

Morris: Is there a specific percentage or dollar amount in the grants budget for this program, and is--?

Jelley: Yes. And it can vary from year to year. The board determines what it's going to be, and then we fit in the projects. But in Projects of Historic Interest, they don't say, "One third of that goes for preservation, and one third for this." It's just whatever grants come in. But the amount that is given to each category is set by the board.

Morris: Has that changed--I know it's changed in terms of the addition of programs over the years, but I wondered if the balance has shifted between education and the performing arts, and history, say?

Jelley: Yes. It does.

Morris: As the directors' interests change, or as the applications change?

Jelley: Well, that's basically it. In other words, if there are very few applications in one field and a lot more in another, then that can dictate a change. And there are some changes that go on within the program staff itself. In other words, I'm responsible for opera, Shakespearean theatre, history, part of international and part of special projects. If I've got a lot of history grants, and not so much in special projects, I will take money from the special projects and put them in the history grant area, and then explain that to the board when I go and ask approval. Even though they will have said, "This is your grants budget," when the time comes to approve the grants, that may have shifted from category to category.

Morris: Does it ever happen that there will be some negotiation or tussle between program officers as to--?

Jelley: No.

Morris: Once the decision is set, each of you has your percentage that you can hold normally to--?

- Jelley: I make a grant which would be reported as a performing arts grant, but it comes from my money. It doesn't come from Jillian's performing arts budget. It may show in a report as a performing arts grant, but I have to give up the funds that I am otherwise responsible for.
- Morris: Was that a tough policy decision?
- Jelley: No, it's really a question of pragmatics. In other words, each program officer can effectively handle only so many grants. For me to negotiate, say, please allow me additional money so I can handle three or four more grants, I'm just hurting myself. You just sort of keep within your own field, rather than trying to borrow money or negotiate with the other program officers.
- Morris: Does it take more thought and pains to manage a \$500,000 grant than it does to manage a \$50,000 grant?
- Jelley: It depends on what it is. If your \$500,000 grant is to University of Santa Clara to establish the L. J. Skaggs Distinguished Professorship in Retail Studies, that requires no management at all.
- Morris: Right. That's a kind of a pass-through?
- Jelley: Right. And as I said, it depends basically--it's not the size of the grant, it's the activity, and the degree of responsibility. You can have more responsibility with a \$5,000 grant than you ever would with a \$500,000, just because of the nature and the type.
- Morris: I'll take that up, since it's come up. That's an unusual kind of a grant for Skaggs, isn't it, to fund something like that?
- Jelley: Yes. Very unusual.
- Morris: How did that come about?
- Jelley: I think that it was a general desire among the trustees, and I think if anyone spearheaded it, it was probably Dr. Forsham, that there should be some recognition of Mr. Skaggs. The Skaggses had always been very clear that they didn't want their name plastered on anything or everything, and that a decision was never to be made based upon the fact that "We'll name the room after you," or something. We have had things named in thanks, but it's never been a requirement.
- But there was sort of a feeling that there should be something, when all of this was said and done, that does have Mr. Skaggs's name on it. The question of an academic chair came up, and it was something--
- Morris: From Santa Clara, they were looking--?

- Jelley: No, it came up from Dr. Forsham, that why don't we consider this? Mrs. Skaggs responded to it promptly. From her family, she knew about people having academic chairs. And so we then decided what was the academic chair going to be? We decided it shouldn't be in mathematics or something like that, it should have something to do with, if possible, retailing. And in the West Coast, at least, there's only one university that has a comprehensive retail management program at the graduate and undergraduate level, and that's the University of Santa Clara.
- Morris: Isn't there another Skaggs chair, similar chair, at Brigham Young?
- Jelley: Right. But that's--
- Morris: That's another Skaggs?
- Jelley: That's another Skaggs, and we didn't consider that as West Coast. Plus the fact that that chair is more of a graduate level. They do not have a strong undergraduate program. One of the things that impressed us about Santa Clara was that they did have a very strong undergraduate program.
- Morris: How would Mr. Skaggs feel about that? Isn't Santa Clara a Catholic college?
- Jelley: Oh, yes, very strong Jesuit school.
- Morris: He's from a strong--
- Jelley: Baptist; yes. Well, Mrs. Skaggs said that Father Skaggs never would have agreed to this, but she voted for it anyway.
- Morris: I see. Is that a one-time-only thing?
- Jelley: Yes. And everyone knows that, and understands it. We said so in the annual report. We've done everything possible to make everybody understand that this is just unique.

VII SOCIAL CONCERNS: WOMEN'S ISSUES AND FOLKLORE PROGRAMS

Morris: How did the board feel about the suggestion that there be a program on women's issues?

Jelley: Well, that of course came out of--that was Laura's interest and her suggestion, as the area where social concerns should be.

Morris: She was already aboard, or did you recruit her because you wanted a women's-issue program?

Jelley: She was already aboard. We had a social concerns category which was definitely at the board's suggestion. We never really were able to fill it. When I was doing it, I did it because this was what the board said to do, but I never was really that enthusiastic about it. Jillian's background is in performing arts and museum arts, and she did it because I didn't want to do it, so I gave it to her, but she was never that enthusiastic about it.

So when it became apparent that we were going to have to add a third person, we decided in the discussion at the board that we still wanted to do something in social concerns, and I had pretty well decided that, yes, we would really go out and make something of the program. So we definitely went out to find someone who would be in that field.

Morris: Who would be fired up by it.

Jelley: Right. And that is Laura. She had been very much involved in women's activities, especially with pornography and that area. So when she came, she didn't come on board to set up a women's program, but when she came she handled all the social concerns.

Well, I had learned, and I said to the board, and Jillian too and Laura almost immediately, that we couldn't be all things to all people. We had to focus ourselves in two or three areas. And we should select these areas.

Jelley: So she made several recommendations, and one of them was the women's program. It was generally accepted, with really not that much of--certainly not any controversy. I think it was sort of felt that, yes, this is appropriate, we understand that you can't

- Jelley: do everything, and this is an area of concern. If we have someone who's fired up to do it and has the ability and the contacts and the background, just let's go.
- Morris: Was the International Women's Year already on the horizon? Was that part of--?
- Jelley: That was where it was all going to come together. And when she wrote up her paper and presented it to the board, this was what it was going to be leading up to, and it was the International Decade of Women, and what have you. So that was part of the women's program.*
- Morris: Had she worked on an international basis before, or had contacts with--?
- Jelley: No, that was her first experience in international women's issues.
- Morris: She came from the Bay Area, too?
- Jelley: She came from Michigan originally, but she had been out here in the Bay Area. We had made a grant to her organization..
- Morris: In what field?
- Jelley: In connection with her work about pornography.
- Morris: A community-based organization?
- Jelley: Yes, over in San Francisco.
- Morris: And then the women's program went on into folklore, or the folklore came out of--?
- Jelley: Oh, no, the folklore is completely separate. Folklore came from Jillian, and that was her interest. When Jillian came, Jillian was also a grantee of ours.
- Morris: Is that a requirement? David Knight too?
- Jelley: No, he was with KKHI. I listened to him on the radio. Actually, he was an engineer there, and worked in the library. Although he had been a photographer for them, and assisted--he's a freelance photographer. And one of our covers of our magazine was done by

*For further discussion of this program, see Laura Lederer's essay in the foundation's annual report for 1985.

Jelley: him. But in any event, Jillian's primary interest, as I indicated, was performing arts and visual arts. She felt very strongly, literally from the day that she walked in here, that modern folk art is an important component of visual arts, and not a very well understood one. And that there was too much of the American procedure of the great melting pot that was destroying a lot of folk art and ethnic art, and that these should be encouraged and preserved, and not just amalgamated into a blob.

So, she said that what she would like to do as part of her performing art/visual art category was to create a folk art category. So she prepared a position paper, presented it to the board, and they approved it.

Morris: And that meant they were okaying her going out into the community to look for promising--

Jelley: Programs and projects of this nature.

Morris: So then she followed that up by calling on her own contacts--?

Jelley: And developing them, and going to various--.

VIII TRUSTEE INVOLVEMENT

Policy Debates

- Morris: How much discussion is there when these position papers are presented to the board?
- Jelley: It varies. They're all prepared and sent out in advance. Sometimes, they--##
- Morris: --and the folklore program provided more than the usual discussion?
- Jelley: Oh, the women's program did, because it was presented as a much more major project. The folk program--I think Jillian asked for \$25,000 of her regular monies to go in this respect. So it was something that was a testing to see how it worked out, and now I think the budget is \$150,000 per year. But the women's program required a large commitment; they were talking several hundred thousand dollars spread over a period of time.
- Morris: Right off the bat.
- Jelley: Yes, and particularly in connection with the International Women's Decade, and the conference in Nairobi and what have you. So it occasioned quite a bit of discussion, particularly since it was keyed into this International Women's Decade in Nairobi. Where were we going with women's programs? Should we be worried about things impacting women here in the Bay Area, like a rape crisis hotline, and various things along that line, or--where is the women's issue going to take us?
- So I think that and the decision to stop making grants in the field of medicine. If there has been any lengthy discussions about a policy, I think that was it.
- Morris: How did Dr. Forsham respond to that decision?
- Jelley: We didn't make it until after he retired. So he no longer had a vested interest, and I think he--
- Morris: Retired from medicine. He's still on the trustees.

Jelley: Oh, yes. And he's still in his practice of medicine. But he'd retired from the Metabolic Research Unit. So we no longer had this sort of commitment to the unit as such. I think he recognized that the amounts that we could give and had been giving to medicine, which were about \$200,000 a year, were not getting as much of a beneficial result as giving it in another area would. And that--I remember he made the comment that it's interesting, in fundraising at a university--I think he was speaking of Stanford--that Stanford University goes out and raises from loyal and dedicated alums. Stanford Medical School goes out and raises from patients of Stanford doctors. And so he felt that there were sufficient sources of income from happy, recovered patients to take care of medical needs, [more] than funders of folk art and things like that.

So it really was not that much of--I think it was more of a discussion, of since this was the way we got started, and do we want to keep something on as traditional as that. There was a general feeling that we were not as interested or as involved as we had been, and should it be a token amount of \$50,000 a year? Dr. Forsham said you can't even buy a microscope these days for--you know, without spending a lot of money. You should be in it or should be out of it. He agreed that we shouldn't be in it, so that was about it.

Morris: Well, that sounds like a win-win situation. How about Mrs. Skaggs? How much concerned was she in these decisions?

Jelley: She felt very positive about the women's-rights decision. She felt that she had grown up in an era when women did not have any rights, and that she felt that--she wasn't one of the people who would carry a picket sign or anything, but she felt that women should be more aware of themselves and their abilities, and they should be encouraged and treated better. She's been very supportive of Laura and Laura's programs.

Foundation Events

Morris: How often do the trustees now go out and make contact, do some of the site visits?

Jelley: It varies. Not as much as they used to, because the staff now does that. Mrs. Skaggs used to go out quite often--well, relatively often--and in her advancing years has sort of stopped--she just isn't able to move around or to drive distances and so forth like she used to. Dr. Forsham was very, very helpful when we were getting medical things. He now--we try to have a couple of things each year which are sort of foundation events. As a matter of fact, we're going to have one next month when the Joffrey Ballet

Jelley: comes. We gave the money that was involved in the "Sacre du Printemps" historical recreation, so we're going to get a couple of boxes at the Sunday matinee performance, and people from the foundation and spouses and so forth are going to go and have a backstage tour and then go out to dinner. We try to do things like that a couple of times a year. I'd say that is pretty much the extent that Dr. Forsham--but of course, he's getting older too.

But Dr. Forsham used to be very, very helpful. He'd come over when we would ask for people to come and make a presentation. He was very good about coming over and sitting in on that, but now he doesn't much.

Interaction with Grantees

Morris: This was for the Metabolic Research Unit--?

Jelley: No, this was just in general. He used to come, and--when we were getting started, we had a lot of rules that [laughs] we no longer have, just simply--

Morris: Rules about what?

Jelley: Well, when we were only getting maybe twenty applications a year, we used to say that two directors should hear every application. Then we said that all of this stuff should be Xeroxed and sent to the directors. Which was fine when we had twenty, but now when you have 1200, we're down to one-line things that--it's just as we got bigger and more--

Morris: The application flow is now up to 1200 a year?

Jelley: Oh, yes. More than that. Requests and some things like that.

Morris: Does that include the people who sent you a Xerox of their proposal that they sent one to everybody in the California Foundation Directory?

Jelley: Yes. You still have to answer those; you have to respond.

Morris: You do respond to people?

Jelley: Oh, yes. If anyone sends us something, we respond. Unless it's so obviously wrong, that they--.

Morris: Has the increase in foundation directories and foundation research centers and workshops for hopeful applicants cut down on the number of applications--?

Jelley: It's increased them.

Morris: Does it cut down on the number of inappropriate ones?

Jelley: No. We still get them. I think everyone feels that they have a special project, and something just may pique somebody's interest. And that even though it's not--even though you can say in the informational things, "We do not fund films," they've got a special film, and they think that this just might attract your attention, that you'd fund them.

So, as I say, we don't fund capital projects, but everyone sends us every building campaign that's going on, because they've got a special building. It's the optimism of any fundraiser.

Morris: What's the feeling about recognition of Skaggs support, either by grantee publications, or signs on the wall, or--?

Jelley: We don't require it, as I said earlier. But it's always nice, and we ask that if any publicity was given to the grant, we'd like to have a copy of the press release for the file, or something along that line. Many times grantees want to say that they've gotten it. It helps them to say, "We have gotten funding from the Skaggs Foundation." If it does, that's fine. But we do not require it.

Morris: One of the annual reports, if I understood it correctly, said that sometimes after you've given a grant and after the grant has run out, sometimes the foundation will continue to offer technical support?

Jelley: Yes.

Morris: That caught my eye as an interesting development. What's that about, and how successful has that been?

Jelley: Well, there are people that we just simply seem to be making grants to, just going on and on every year. To the stage where we say, "We have got to stop, we want to be able to give money to other projects," and everything. "And it's not because we're mad at you, so please call us, we'll stay in touch and what have you, and maybe in a couple of years we can resume it. But for this particular time, this is supposed to be a two-year project, it's already turned into four years of funding, we've got to go on to something else. But in the meantime we will continue to help as much as we can by giving you suggestions, inviting you to various programs which you may be involved with, or making sure that you know about what's going on, and provide whatever help we can."

Morris: It sounds like you may almost have a newsletter that you send out to--

- Jelley: No. We've talked about it, but we have enough trouble getting our annual report out, without trying to get a newsletter.
- Morris: Who decides what the year's essay or project focus is going to be in the annual report?
- Jelley: What we do is it goes between program officers. We just take it in rotation, and it's whatever that particular program officer wants to write about. This year it's Jillian's, and she's working on her essay which is the arts scene. Next year's will be Laura, she's going to write about her media program. The year after that's is going to be David's, he's going to write about theater. So it's just, each person takes it in sequence, and they write about that particular aspect.

IX SPENDING AND CONSULTATION

Proposed and Actual Expenditures

- Morris: I had an opportunity to look at--Mrs. Skaggs gave me this--but I assume this is a packet for the 1981 grants to be considered?
- Jelley: Yes.
- Morris: And I compared that with the 1981 annual report, and there are some differences, which interested me. I was wondering, the largest one is that the overall total approved is larger than was proposed in this preliminary packet. Now, is that a common occurrence, and what produces the--?
- Jelley: Well, sure. The first thing happens is, that that is presented for the November meeting. And of course, you start off right away with another half million dollars involved in the--well, \$475,000--in connection with the discretionary grants. So when you receive a report of the 1981 activities, you've got already that \$475,000 in discretionary grants. Then, projects may come up of a special nature that they can be voted on by the board during the year, either in February or in June. Or monies come back, or you don't make grants, and it falls into the next year, or something along that line. But you know that eventually you're going to be spending more on grants than starts off with the proposal.
- Morris: Okay. That makes sense. So the additions would be the discretionary grants, by and large?
- Jelley: By and large, although sometimes there will be changes in connection with the grants themselves, within that list of grants.
- Morris: 1981, also the annual report includes a new category of museums and visual arts, which incorporates--some of the grants were in the preliminary packet, but they were under different headings. What produced the decision to have a separate program for those?
- Jelley: Well, at that particular time, we felt we would have one. And so when the time came to prepare the 1981 annual report we thought, to avoid confusion, since we said we have a museum-visual arts, it was

Jelley: easier to go back and make up the new category. Because the 1981 annual report comes out in the middle of 1982, when people are making applications for 1983 funding, so it really is past history, and we thought that we should have this new breakdown. And you will see in this year's annual report, we do the same thing. We are breaking down a new category so that it's easier to follow, at least consistent.

The museum-visual arts is one of those categories which has gone up and gone down, and we at first had a museum category. And then we realized that although a lot of the grants we were making were museums, that they weren't really a museum type of a grant. It was either a history grant, or for a history exhibition, or something like that. There also became quite a discussion on that matter, [which] the directors were involved with, about museums. Should we support local museums? Should we give money to the de Young? Particularly as the Fine Arts Museums of San Francisco started getting into their very heavy fundraising. And we had a consultant who came and did a report for us in 1983, and as a result of it we pretty well decided we would just sort of go out of the museum business. So museums as a category was a very short-lived one, only went for about two or three years.

Morris: Because there was not really that much focus to it?

Jelley: Yes, and when you were dealing with the smaller museums, the museums themselves were not focused. For example, you couldn't tell whether the Napa County Museum was a museum in Napa County, or a museum of Napa County. I mean, we were faced with situations where they were running out trying to raise money, and spending all their money on getting a Raphael painting, which is dumb for a museum in Napa. But their idea was that, "We want to tell our children that this is a wonderful part of their life, and their heritage, without having to drive all the way down to San Francisco."

And on the other hand, we said, "Yes, but the heritage of Napa Valley is the wine, and the grain, and everything else. This is what your museum should be about." They said, "Oh, no, that's chamber of commerce stuff." [laughter] But anyway, it was just very unstructured.

We were also working with the Smithsonian Institution, which has this program for traveling exhibits, SITES, Smithsonian Institution Traveling Exhibit Service, I guess, is what they call it, which is very effective. We gave a grant to assist the Crocker Museum in Sacramento to have one of the sites exhibits come. That would be one about the Moslem world, Islamic world. Which was great. There was just so much--and it just sort of got to the point that I just said there wasn't enough focus to it. So we

Jelley: decided to have a consultant who had a museum background, and the consultant's recommendation was to discontinue "museum" as a separate category.

Institution-Building for Performing Arts Groups

Morris: How often do you use a consultant?

Jelley: We used to use them a lot, when we were trying to be all things to all people. But then as we started to narrow, we knew as much as any consultant. We have not used consultants that heavily. We use consultants in the Institutional-Stabilization program extensively, which is in the performing arts category, for stabilizing performing arts organization. We have consultants, and put on seminars for these particular performing-arts groups that are members of that program.

Morris: Well, that is for the internal organizational structure?

Jelley: Fundraising, teaching them how to--their accounting systems, and so we have a consultant that works with them in setting up accounting, and how to set up your board of directors, your operations and organizations. How you provide for earning money, from making T-shirts to renting out your space, and things like that. How you do your marketing; how you sell your performances (we have a consultant on that, Bill Dodson).

Morris: Is this different from the kinds of things that the Management Center in San Francisco does for nonprofits in general?

Jelley: Yes, because the Management Center is basically setting up things for nonprofits in general. Performing-arts groups have their own problems. They've got to go out and sell performances. They've got to fill the house. And they've got to have people out there to count the tickets.

Morris: That's different from a school has to have a population of children, and--?

Jelley: Sure. Because you can have a volunteer out there counting tickets, but you can't have a volunteer teaching the school. And so management of volunteers is a very important aspect of it. But anyway, we do have consultants that are involved in that program. We have a triennial retreat, and we have consultants that come and speak to us about various fields in which we are interested, who are in effect consultants to the board.

- Jelley: But to write the detailed things that were done by the consultant I was referring to, we have not had that done for--I think that was about the last time we had something that detailed.
- Morris: Are people now beginning to call on Skaggs Foundation staff people to come and be their consultants?
- Jelley: Yes, and we had quite a lengthy discussion internally, and then also we talked about it at the board, not as lengthily. And the decision was that we should not find ourselves in that position, of having one of our staff members go out for a fee and be a consultant. We thought that that was inappropriate.
- Morris: But they can make themselves available as a bridge to bring--
- Jelley: Oh, yes, sure. And someone--I will answer requests several times a year from groups that are making feasibility studies about raising funds or starting projects, and they'll come and talk to me about the situation. They do that with all the program officers. But to actually be a consultant, we said no, we felt that that could create some conflicts, and put people under pressure. Say, "I've got to make the house payment this month, so I'll go out and be a consultant for a week," or something like that.

X COMMUNITY PHILANTHROPIC CONCERNS

Emergency Funding

- Morris: In the last couple of years, there's been this response among many Bay Area foundations to do something about the homeless, and various emergency funds were set up in relation to cutting back on public funds. What did Skaggs Foundation do in response to those? Did you participate?
- Jelley: We did not participate, and we didn't decide it with the homeless, but we had decided it earlier when there was a big hue and cry about what's going to happen to all of these organizations being cut back. The decision was very emphatically made that we had our own program, we should stick with it, that we shouldn't just rush off, because tomorrow there's going to be another emergency of a different type. And that certainly has proved to be true. And so we do not respond to that type of a program. We don't feel it's fair to our grantees that we worked with to all of a sudden just say, "Hey, we don't have any money any more because we've given it to this area." And we're just simply not set up to do that type of a thing.
- Morris: Did you take any flak from other foundations in the Bay Area?
- Jelley: We get flak all the time.
- Morris: From other foundations?
- Jelley: Yes. Some of it's joking, but I think some of it's a little serious, too. You know, "If Oakland is burning, why are you giving money to save Westminster Abbey?" I have one friend who--we gave money under projects of historic interest for the development and publication of the background material for the sainthood of Father [Junipero] Serra, which was actually one of the better grants. It's a very impressive book.
- Morris: The campaign has moved onward.

Jelley: And it's moved onward. This is Tom Layton at the Gerbode Foundation, and he says that he's glad he's not in my position, because the city of Monterey is going to sue me when all this additional traffic comes to the Monterey Peninsula, because I helped make Father Serra a saint. [laughter] But, yes, we do not run with the regular crowd. I can never tell whether they're envious or really upset.

For example, we do not give money to the [San Francisco] Chronicle Season of Sharing. I got a letter from them saying they couldn't understand, all these other foundations had done it. I wrote back and said we had a staff of four who were set to make appropriate grants. So why should we give money to them to pay their staff to go out and do it? If they had a project that they wanted to have covered, let's discuss it directly, instead of going through the middle-man of the Season of Sharing. They were very upset, because they couldn't have participation from us.

Northern California Grantmakers

Morris: But you have moved back into the inter-foundation scene by going on the board of the Northern California Grantmakers.

Jelley: Right. Which means that one of us has matured, either myself or the organization. [laughter]

Morris: All right. We're going to run out of tape in about five minutes, so what would you see as the kinds of functions that NCG has undertaken that make it something that is worth your time and energy?

Jelley: Well, I think first it's become very well institutionalized. In other words, I think it's not so much of--when in its early days, people didn't know exactly what it was. But now, you know exactly what it is. I'm very, very impressed with Caroline Tower. I think she is absolutely outstanding. I was very impressed with Steve Lieberman, but Caroline especially I think is a very well-organized young lady, and just a very good person in whom I have a tremendous amount of confidence. I think she has a clear vision, as does the board, of what the Grantmakers can do, that it is to be primarily an educational group: educating the public, educating foundations. Educating the public through Sacramento, the legislative and regulations committees. Having seminars and programs. Educating the foundation by having workshops and seminars.

And I think that it has become a very effective spokesperson for foundations. I think that this is especially true because of the--I almost said downfall, that's too strong--of the San Francisco Foundation. I think that the San Francisco foundations

Jelley: has completely lost its credibility as far as the public's concerned, in connection with the Buck Trust fiasco. Before that, particularly with John May and the respect in which he is held, it could speak very, very well for the foundation community in the Bay Area. It no longer can. I think that people hold it in derision almost.

So, the foundation community does need to have a spokesman, and it needs to have a strong one. And I think the Northern California Grantmakers is it.

The Buck Trust

Morris: Do you feel, speaking as an attorney, that the matter of the Buck Trust--both how the bequest was originally written and how it evolved in the eventuality leading to creation of the Marin Community Foundation--does that have some implications for foundation work in general?

Jelley: I think it does. From our point of view, when do the board of directors look at a project and not think of, "Now, what would Mr. Skaggs have done?" How long is the dead hand in control? So I think there's that kind of an aspect of it. On the other hand, no foundation wants to be in a position where you have someone on the outside coming in and second-guessing the grants you've made. I mean, we have a hard enough time living up to the Internal Revenue Service and all the other groups. There are enough people that we're responsible to, as well as to ourselves, and to have someone that can come in and say, "You should have given money to us rather than to some other group"--to work into a position where people are second-guessing the grants you made can put you under a tremendous pressure.

Morris: In the sense of people saying, "You should give money outside of Marin County."?

Jelley: No, they're objecting to what you're doing with the money in Marin County.

Morris: Right. So there were problems from all sides, both in Marin County and--

Jelley: Right. And you had the group in Marin County saying, "You're giving too much money to the county of Marin to fix up the roads after the storm, while you're letting all these other social-action groups die on the vine."

Jelley: Well, we don't give out that much money, so we're not likely to have people come and say that. And yet, people were complaining about the investment policy, that they were making bad investments, that they weren't doing things right. And it's just a bad position for foundations to be in, because if foundations do nothing but do the safe and noncontroversial, they've lost the reason to be a foundation. You might as well give your money to the Red Cross directly--or Stanford University, or the San Francisco Opera. Why set up a foundation, with personnel and everything else?

Venturesomeness and Creativity

Jelley: The point of a foundation is to be adventuresome, be creative, to do things that nobody else would do. That doesn't mean that you shouldn't give money to Stanford and the San Francisco Opera and Red Cross; but the point is that a foundation has the ability to do something different, and more, that other groups can't. Once you scare foundations into a point where they don't want to be adventuresome or creative, you've lost something I think is very important.

Morris: Were those considered by Mr. Skaggs, going back to the beginning, that he might leave his money to a university or a hospital?

Jelley: No. He wanted to give it to a foundation, because--

Morris: To have a little innovation.

Jelley: Right. Otherwise he would have given it directly. One of the requests he did receive was to give a substantial amount of money to the School of Pharmacy at the University of the Pacific. This was just about at the time that he set up the foundation, and it was one of our lengthy discussions. It didn't happen for a variety of reasons, some of which were University of the Pacific's fault. They just didn't follow through when they said they were going to, and a few things like that. So that the chance passed, although I think he was prepared to make a substantial gift to them.

But it did give, I think, an opportunity for him to focus his mind about, "Should I give large sums of money to the--" and it was over a million dollars that they were talking about, that he was seriously considering giving them "--or should I have a foundation that can maybe do other things, and might be interested in giving money to Ducks Unlimited," which is one of the things--

[Tape ran out; reconstructed from notes]

Jelley: --that he was interested in.

Morris: I've been told that additional regulatory legislation has been introduced in Sacramento since the Buck Trust litigation. Is that of concern to foundation people?

Jelley: Well, Northern California Grantmakers does have an ongoing legislative representation committee. We have various legislators come speak to us, and they have participated in seminars. And, of course, we have a lot of contact with Carol Kornblum, the deputy attorney general for charitable trusts. It's worked pretty well.

But it's true. The legislature is looking over our shoulders more than formerly. And they have considered several bills regarding payout of foundation income in relation to assets, and specifying representation percentages on foundation boards, things like that.

Morris: Which, if any of them, have been passed?

Jelley: To my knowledge, none.

Morris: Is this the kind of thing that might make a foundation decide to close down? How about the Skaggs Foundation?

Jelley: Not for that reason. But, yes, we do contemplate the eventual wind-up of the foundation--that's why we spend more than our income. If we see something worth doing, we'll fund it.

Some day we'll spend all the money and we'll all go home. I hope I'll still be around.

Another chunk of money will come into the foundation from Mrs. Skaggs's estate. At that point, we'll consider how to go about it. Mary Anna Colwell did that a few years ago for the LARAS Fund, very effectively. There could be some very creative things done by placing a large sum here and here. It's not appropriate at this time to speculate on what.

Dr. Forsham, too, says the foundation should not go on forever. And in some cases perpetuation of a foundation after the donors have departed has led to foundations being run by staff, with the trustees, who are ultimately responsible, having little input. All of these are reasons why we don't contemplate enlarging our staff.

Morris: Thank you for talking with me so long this afternoon. We've touched on a lot of important topics.

Transcriber: Shannon Page

Final Typist: Hellen Kim

TAPE GUIDE -- PHILIP JELLEY

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APPENDIX

L.S. & Mary C. Skaggs Foundation 1980 Annual Report

Presidents Letter from the 1985 Annual Report

L.S. & Mary Skaggs Foundation 1980 Annual Report

Letter from the President

I am happy to report the distribution by the Foundation of \$656,277.00 to 54 different organizations during the year 1980. The range and diversity of our grants continue to be a source of pride to me. This year in our Annual Report we have provided a fuller explanation of the various programs which are supported by our grants. I hope this will be informative to our readers.

1981 will be the 15th year of grant-making by our Foundation, and it was felt appropriate to use our lead article to tell about my husband and myself and the philosophies that led us to organize the Foundation. In addition, we felt there would be interest in the grant review procedures and the roles of the Directors and staff in our operations. Over the years we have collected cartoon commentaries upon foundations, grant-making and projects; several of these have been selected for illustrations.

This year certain actions were taken that I feel strengthen our Foundation and its task of carrying out the goals that my husband and I had in mind in 1967. The Directors have held three times our normal number of meetings and have met with advisors and consultants. The Foundation, its role, its operations and its investment program have been examined in depth. There are three items that I would like to report from the results of this year's activities:

(a) The administration of the Foundation has been reorganized with different responsibilities established for the three staff members in the daily operations and grant review process. The article explains this in greater detail and the Directors are pleased with the present procedures.

(b) After a year-long review, the program of the Foundation for investment and management of its assets was determined. Investment goals were agreed upon, and arrangements for professional counseling and monitoring of our investments have been established.

(c) I was happy to make a further gift to the Foundation so that the asset value of the Foundation, with the related trust in my husband's estate, is now approximately \$16,000,000.00. As a result, the Directors established an annual projected grant program of \$1,000,000.00 for the coming years.

At its November Board meeting, the Foundation awarded almost \$880,000.00 in grants. With supplemental grants throughout the year, I anticipate that the total grants for the year 1981 will reach a \$1,000,000.00 figure.

Respectfully submitted,

Mary C. Skaggs

Mary C. Skaggs
President

L. J. was always opposed to direct relief grants, and was always concerned that his support go to individuals who were trying to overcome handicaps and better themselves through innovative projects. He repeated again and again that he wanted to be a source of funding for ideas and organizations who "had nowhere else to turn. We fund the unfundable!"—and to this day guides much of the Foundation's most far-reaching seed granting.



L.J. Skaggs

L.J. Skaggs by his life and legacy exemplified those qualities—generosity, a concern for others, an inquiring mind, an interest in innovation and progress and love of traditional values—which we think of as the best of the West. Born in 1899, he was one of twelve brothers and sisters, the children of a Baptist minister from Missouri. As a child his family moved to American Falls, Idaho, and L.J. started his life-long affection for the Pacific Northwest. With the eldest brother, O.P. Skaggs, leading the way, all six brothers became enormously successful merchants. One brother, M.B., made an innovative contribution to marketing: the supermarket—one stop grocery-shopping. The brothers developed and refined their merchandising techniques in the early years of the twentieth century through a number of chains, most especially Skaggs United Grocers.

While working for O.P. Skaggs (who subsequently developed Osco Drugs), L.J. met Mary Dee, a young woman born in Holland, who was store manager of the Ogden, Utah, store, and in 1919 they were married. So began a partnership that was to last more than fifty years. For the first fifteen years of their married life, they worked together for various Skaggs markets in the Pacific Northwest, where L.J. organized and operated Pay and Take It Stores. In 1927, M.B. consolidated the various Skaggs entities into Safeway Stores. L.J. and Mary moved to Nebraska where they drove from store to store seeing that stores were managed, promoted and merchandised properly. Whenever a new store was to be opened, they would take to the back roads of the territory in the wee hours of the morning and go from mailbox to mailbox stuffing flyers announcing the store opening and all of the related festivities.

In 1932, L.J. decided to transpose his one stop supermarket idea to drug store operations. That year in Tacoma, Washington, L.J. and Mary (with another couple) opened the first Pay Less Drug Store. The success of this merchandising concept proved itself immediately, and soon a chain of Pay Less Drug Stores blanketed the Northwest and Rocky Mountain area. In

1936, a Sacramento store was opened and serious expansion into California-began. In 1939, L.J. sold the Rocky Mountain stores to his brother Sam Skaggs while he retained the Washington and California stores.

L.J. did not involve himself in the detailed day-to-day operation of his stores; this he left to highly autonomous store managers. He read and researched the overall picture of what was going on in society, which he then translated into very good guesses about what people were going to buy. He had an eye for real estate and locations for potential stores and was aware of the social developments pulling people out of the cities into the suburbs. He was concerned about his customers—prices were low and there were few frills. The slogan "Pay Less guarantees every purchase" was honored scrupulously and his stores were known for courteous employees.

The Pay Less operation continued to grow and expand. In the early fifties, the Washington stores were sold and the expansion program in California accelerated. By the early sixties, L.J., who was afflicted by diabetes, became more seriously ill and dropped out of active management of the company. He remained as Chairman of the Board of Directors of Pay Less until June, 1970. He died at his Lake County, California ranch in December, 1970.

L.J. loved the outdoors, especially hunting and fishing, and he was very involved with and concerned about nature. He traveled all over the world, which stimulated further his deep love of his country and the values America represented. Active in supporting youth, education and conservation programs, in later years he supported research in the field of diabetes, especially at the Metabolic Research Unit located in the University of California Hospital in San Francisco.

As his direct involvement in Pay Less management diminished, L.J. began giving thought to a logical, systematic procedure to handle a growing number of requests for donations. He determined that it was vital to have a professionally managed program for his philanthropy. Dr. Peter H. Forsham, L.J.'s personal physician and

director of the Metabolic Research Unit, and Philip M. Jelley, L.J.'s attorney, began to discuss with him the desirability of forming a charitable foundation. As a result The L.J. Skaggs and Mary C. Skaggs Foundation was created in 1967 and its first grant (\$35,000 to the Metabolic Research Unit for diabetes research) was made.

In the early years, the Foundation had little income and most of its grants were from yearly gifts by Mr. and Mrs. Skaggs. The primary interest of the Foundation was in diabetes research, although a few small grants were made to other projects. In the years immediately prior to L.J.'s death, the long-range goal of the Foundation was under considerable discussion and review. L.J. fantasized that a cure for diabetes could be discovered, like the sugar cube vaccine for polio. It was obvious that it was important to build flexibility into the Foundation so that it could move and change with the times.

In his last discussions with the Directors, L.J. laid down clear mandates for the future of the Foundation. It was to be a general purpose foundation. While its priorities, grants and procedures were to be under continued reexamination, its goal and function was specified. The Foundation was to be an instrument of experimentation and change in considering society's problems at home and abroad and was to act to encourage appreciation and awareness of our great historical and cultural heritage. Mr. Jelley remembers that it was during one of these talks that Mr. Skaggs made his now-classic comment, "If I wanted to give my money to programs that would be supported by the Red Cross, I would have given my money to the Red Cross." He also spoke against the "edifice complex"—the construction of buildings, usually bearing the donor's name. He was more interested in the programs and people inside the buildings and emphasized again and again the desire to do something innovative. He did not expect grantees to guarantee success through the use of the Foundation's grants, but he demanded that they use the funds responsibly.

The Directors of the Foundation were to be

given wide latitude in the amount of the grants, including use of principal. However, to ensure that the Foundation Directors would not be carried away and disburse all the assets to a cause of the moment, L.J. set up complicated provisions in the trust created in his will so that his estate would be distributed to the Foundation over a period of about forty years.

With L.J.'s death late in 1970, more funds were made available to the Foundation through his estate, and, starting with the funding year 1972, the approach that he outlined was implemented. The transition from a Foundation with emphasis on diabetes research to a general purpose foundation has been directed by Mrs. Skaggs, who has served as President since 1971. In 1973, Mr. Jelley was employed as Foundation Manager. In 1977, Jillian Steiner Sandrock joined the staff, and 1980 saw the arrival of Laura J. Lederer to complete the present staff.

Through the years, the Foundation has experimented with different procedures to ensure that each applicant receives a complete review and evaluation of its proposal. The procedure that has proven the best divides the responsibilities among the staff members. It is the Directors' belief that successful management of grant funds depends on the program officer's knowledge of the field in which the grant is made. Mr. Jelley, a history buff and knowledgeable in international affairs, reviews all requests in those areas. In addition, he handles requests for higher education. Jillian Steiner Sandrock, who comes from a musical family and has all of her professional life been involved in the arts, reviews performing arts, visual arts, and folklore and folklife programs. Laura Lederer, a leading authority on the anti-pornography movement and related women's issues and formerly a community organizer in the Bay Area, reviews community projects for the Foundation, as well as acting as office manager. Mrs. Sandrock, with a background in public relations, handles the annual report and publicity function for the Foundation. Mr. Jelley acts as Foundation Manager and Secretary of the Board of Directors and is directly responsible for all of the neces-

Accountants and financial advisers often presented new material for consideration by the Board of Directors in the early days, and Steve McKee recalls that occasionally Mr. Skaggs would respond to these ideas with the comment, "You'd better explain this to me—I'm just a simple druggist from the country!... I don't understand all this high finance." "And then," says Steve, "we would all become very alert!"

sary reports, tax records, administrative matters and general supervision of the Foundation's investment portfolio. All proposals are taken to the Board for final review, but each program officer is responsible for his or her own program area and is expected to seek out innovative programs and invite applications, as well as respond to requests.

The Foundation Board meets in November of each year to award grants for the following year. At least one month prior to that meeting, a summary of all of the grant applications to be considered, as well as an itemization of grants which have been denied by the Foundation Manager, pursuant to previous Board authorization, is distributed to the Board members for review and analysis. Board members participate in site visits and are well informed for the voting on grants. Also in November, the Board adopts a grants budget guideline to assist the staff in reviewing applications which are received for the following year. For example, at the November, 1980 meeting, the Board awarded grants for 1981 and at the same time adopted a grants budget for 1982, indicating the allocation of grant funds in the various categories for the

direction of the program officers in considering applications.

Each program officer is expected to keep current in his or her particular areas of concern and to provide the Board with a policy paper each year. Sometimes the paper may be of a general nature, such as establishing a new grant category like Folklore/Folklife or Historical Preservation, and recommending policies and general guidelines for such a category. It may discuss one particular aspect of a category, such as a policy about grants for opera programs or hospices, or it may cover general matters which the Directors feel impact their grant-making, such as the changing role of volunteerism in community agencies. In addition, at Board meetings throughout the year, presentations are made by grantees whose projects have been supported and by experts to advise the Foundation on the role it can play in its areas of concern.

The number of requests and grants goes up substantially each year. As an example, the Foundation awarded \$656,277 to 54 organizations during 1980. For 1981, the initial grant award was almost \$880,000 to 79 agencies with the possibility of the final total being one mil-

As Mr. Skaggs' physician for the last five years of his life, Dr. Forsham saw him frequently and recalls, "He bought the property that Mrs. Skaggs now lives on in the country many years ago while he was still active in Portland. I asked him why he had bought that particular site and he said, "I like the variety of the landscape, the possibility of raising cattle there, and I have also the idea that someday I might use the geothermal resources that are all around the place to heat the house." Born in 1899, he had all the ecological awareness of a twentieth century person."



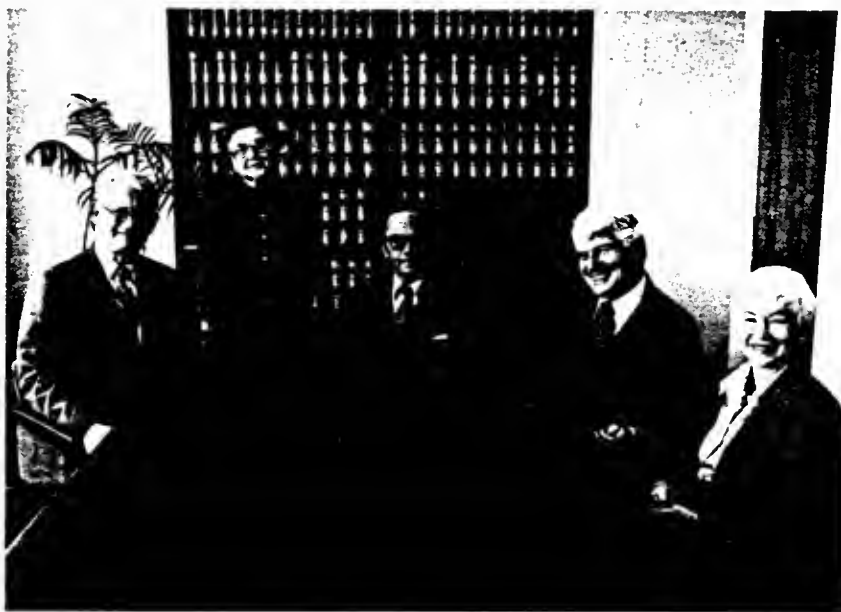
The staff of the L.J. and Mary C. Skaggs Foundation are, from left, Philip M. Jelley, Jillian Steiner Sandrock, and Laura J. Lederer.

lion dollars to more than 90 organizations. During the first ten months of 1980, the Foundation sent out more than 500 annual reports and brochures, answered numerous phone inquiries and received 747 written applications for grants. Each staff addition has resulted in a jump in yearly grants: with the addition of the first full-time program analyst in 1976, the Foundation's grants jumped from 25 to between 44 and 52 annually. Ms. Lederer's arrival at the Foundation in 1980 has resulted in another jump of about 25. Although some grants obviously require more attention than others, 25 current grants is the most effective number for a program officer to manage, especially with the need to monitor past programs as they wind up and to give the necessary analysis to incoming requests. The Foundation is also tending toward the making of multi-year grants. This benefits the grantee, who is able to make longer term projections with the sure knowledge of some income, and it also helps the Foundation with its own internal planning.

The grant review process is informal and open, with each program officer trying to help applicants as much as is possible every step along the way. An attempt is made to inform grant applicants early in the process whether there is a realistic hope of funding—occasionally grantees are told that perhaps they should apply for the next grant cycle. Both Mrs. Sandrock and Ms. Lederer have been, earlier in their careers, grant-seekers. This direct knowledge of what it is like to be the person on the other side of the desk is of immense value to them in their dealings with grantees.

As of the end of 1980, the Foundation and related trust had a total asset value of \$16,000,000.00. The Foundation is the result of the gifts of two far-sighted individuals, L.J. and Mary Skaggs and it bears the imprint of their concerns and philosophy in perpetuating their generosity and philanthropy. Reflecting the dynamism of its founders, The L.J. Skaggs and Mary C. Skaggs Foundation seeks to alleviate the problems and concerns of society and to call to mind our great heritage.

Once when Mr. and Mrs. Skaggs returned from a trip to their home in Portland, they walked through the front door and discovered that they had been robbed. Mrs. Skaggs, noting that her furs and other valuables had been stolen, wanted to call the police immediately. "Why bother?" Mr. Skaggs said... "You'll never get any of the stuff back anyway, and it's just a lot of trouble." Mrs. Skaggs could see that she was to be voted down and went off to the market to buy some groceries. When she returned, she was met at the door by an irate Mr. Skaggs: "Mary, I've just called the police! They've taken my new fishing rod!"



The Board of Directors of the L.J. and Mary C. Skaggs Foundation are, from the left, Steven J. McKee, Mary C. Skaggs, Dr. Peter H. Forsham, Philip M. Jelley, and Catherine L. O'Brien.

President's Letter from the 1985 Annual Report

P R E S I D E N T ' S L E T T E R

I

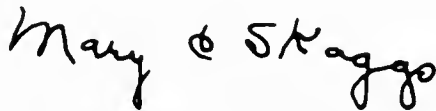
am proud to present this report of our Foundation's grants during 1985. From almost 1,300 applications, we awarded 292 grants for a total of \$1,936,650. This fulfills our policy that grants should be at least 10% of fair market value of Foundation assets. Grants ranged in size from \$300 to \$150,000.

While 1985 represented the largest total of grants we have made in a single year, we look forward to an even larger distribution of funds this year. 1986 will be the 20th year of grantmaking by our Foundation. Our first year (1967) grants totalled \$35,000; at our November, 1985, Board meeting, the Directors authorized the distribution of \$2,462,000, including the Program Director's Discretionary Grant Fund, for 1986. This progress in grantmaking represents the growth of our Foundation through gifts from my husband and myself and responsible management of our investment portfolio. We are happy we can give increased support to meet the goals of our Foundation—awareness and appreciation of our cultural and historical heritage and alleviation of social problems and concerns throughout the world.

Our 1985 grant priority was our participation in the International Women's Decade Conference. The Foundation established a special fund of \$200,000 to be used for grants in support of programs related to the Nairobi Conference held in the summer of 1985. Our Director for Social Concerns Programs, Laura Lederer, administered this fund and attended the conference. The exciting and stimulating activities in Nairobi are the basis for her essay in this year's report which is dedicated to the women's movement.

Laura's enthusiasm and achievements sparked the support of our Board for an ongoing program. As a result, Our International Grant category is being restructured for 1986 and beyond and the funds allocated to it doubled in size. In addition to our traditional grants in the field of health and hunger programs at the village level, one-half of the international grant category will be devoted to support of the women's movements and programs throughout the world and will be under the supervision of Ms. Lederer. We feel that a wonderful beginning has been made to create awareness of the universality of the women's movement and wish to encourage the excellent programs developed under the stimulus of the International Women's Decade Conference. We will continue to have one-third of our Social Concerns grants dedicated to programs, primarily in the San Francisco Bay Area, concerning women's and children's rights.

Respectfully submitted,



Mary C. Skaggs

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December 1988

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