

A Tape-Recorded Interview with

JAMES WILLIAM LAUGHLIN

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INTRODUCTION

Despite its many victories in other fields, the American labor movement has yet to organize effectively the great and growing mass of white collar workers. Yet some progress has been made. One phase of the new movement—for the "union town" of San Francisco—began late in 1936 with the formation of Department Store Employees' Local 1100. By that time many San Francisco employers had already been convinced that unionism was there to stay, were already organized to bargain collectively as multiple-employer units, were already well acquainted with the principles of the closed shop.

We were curious how the department store employers reacted to unionization of their clerks. To get an authentic eye-witness account we went to James William Laughlin, who had been in retailing since his law school days at the turn of the century, was store manager for Hale Brothers in San Francisco during the first years of the new union, and was very active in negotiating with the union. Sam Kagel, labor arbitrator and attorney, had given us his name, describing him as a thoughtful man of great integrity.

The original interview was tape-recorded on April 29, 1955, in the living room of Laughlin's roomy and comfortable home at the edge of the Sea Cliff district in San Francisco. Laughlin was not used to speaking in the presence of a tape-recorder; for many questions he elected to insert written answers into the transcript. As a result, the manuscript does not reveal fully all the charm of the man—his complete honesty, his humility and loyalty, and his

quiet humor.

The manuscript has been edited by the interviewer and by
Mr. Laughlin and has his approval.

25 July 1955
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Corinne L. Gilb

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ENTRY INTO RETAILING; MOVE TO CALIFORNIA

Laughlin: I was born in Minneapolis, Minnesota, on July 26, 1876. I was educated in Minneapolis, receiving an A.B. from the University of Minnesota in 1898. From there I went to law school up to 1901, but I did not continue to qualify for the bar examination.

Gilb: What made you quit law school?

Laughlin: I had been employed during school vacation periods by Donaldson's Department Store and concluded that the retail field offered more security and rewards for my talents than the law. My financial situation also had an important bearing on my decision.

Gilb: When did you come West?

Laughlin: I left for Denver, Colorado, early in 1902 and obtained employment as salesman with The May Company, which in later years became one of the largest national chain department stores. Early in 1905 I left for Sacramento, California.

Gilb: What made you come to California?

Laughlin: I was probably influenced by the slogan of the great New York editor, Horace Greeley, "Go West, Young Man, Go West" and the glowing accounts of the greater opportunities in fast-growing California written to me by a former classmate who had come to Sacramento four years previously and held the position of buyer for Weinstock, Lubin, and Company.

Gilb: What was your financial situation when you arrived in Sacramento?

Laughlin: Suffice to say that it took me three years to discharge my indebtedness. (laughter)

Gilb: When you arrived here, did you find any difficulty getting a job?

FROM ASSISTANT BUYER TO STORE MANAGER; AN INTERLUDE OF
RADIO STATION MANAGEMENT

Laughlin: Through my friend's influence, I was employed by Weinstock, Lubin and Company as assistant buyer. Then I accepted a position as store superintendent for Charles P. Nathan Company late in 1904. I retained that position until 1918 when I was employed by Hale Brothers in San Francisco as superintendent. My duties under this classification consisted of hiring, transferring, recommending promotions and salary increases, preparing and controlling management-approved monthly operation expense budgets and supervising the upkeep and improvement of building and fixtures.

During the time I was superintendent, I also served as managing director of radio station KPO, later jointly owned and operated by Hale Brothers and the Chronicle. I served in this additional classification from 1921 to 1927, when the station was sold to The National Broadcasting Company as the key outlet for Northern California.

Gilb: I'd like to know more about those pioneer days of radio.

Laughlin: KPO, now designated KNBC, was granted a license to operate September, 1921. The transmitter was fabricated on the premises of Hale Brothers' Fifth and Market Street Store by a retired navy radio engineer, and was the most powerful on the Coast except Station KFI, owned and operated by Earl C. Anthony Company, Los Angeles. There was no national chain broadcasting until 1923. Each station had to provide its own program material except that in early 1923 KFI and KPO established a reciprocating hookup called the California Network. After both stations joined the

national hookup of the National Broadcasting Company early in 1924 the California Network was abolished. KPO held exclusive right to broadcast football games, field events, and other activities from the University of California and Stanford, except that the Oakland Tribune and KLX had equal rights at the University of California. KPO maintained a branch studio at the Palace Hotel, where we picked up speeches at the meetings of the Commonwealth Club and other functions of general interest. This operating privilege was also exclusive. KPO carried no advertising for the first two years of operation. According to regulations ownership had to be announced, but when the identity of ownership was announced, the owner's type of business was not mentioned. With the rapidly increasing cost of program personnel we began to contract advertising and were the first to organize and broadcast a full symphony orchestra for the Standard Oil Company and the athletic events of the two universities for the Associated Oil Company.

Early in 1925 one-half interest in the station was sold to the Chronicle Publishing Company, San Francisco, and in August, 1927, the station was sold to the National Broadcasting Company.

I recall one incident when as part of KPO's first anniversary program Mayor James Rolph, Jr., in closing his congratulatory speech, requested all who heard his voice to wire him immediately at his expense. By noon the following day over 8,000 telegrams had been received, as far north as Seattle, Washington; as far east as Ogden, Utah; and as far south as Phoenix, Arizona. It made a sad wreck of the maintenance operating expense budget.

In 1935 I was appointed store manager for Hale Brothers' San Francisco store, and after negotiations with the Retail Clerks Union, Local 1100, in addition to my duties as store manager, I had the responsibilities of labor relations counselor for the two Hale Brothers stores in San Francisco, and one each in Sacramento and Oakland. As store manager I was responsible for all operating functions of the main store in San Francisco under the overall authority of the president.

Gib: Did you find your legal training helpful?

Laughlin: Extremely helpful in every position I ever held from assistant buyer to superintendent and store manager, and particularly in contractual relations during my additional duties as manager, director of Station KFO, in the regular work of drawing advertising contracts, talent programs, and numerous reports and in personal appearances before the radio commission in Washington, where there was a constant scramble for the right to increase transmission power and the favorable assignment of wave lengths or dial positions.

HALE BROTHERS' MEMBERSHIP IN EMPLOYERS' ASSOCIATIONS,
SAN FRANCISCO

Gilb: We are interested in what employers' associations Hale Brothers belonged to prior to 1937. Can you tell us when the Retail Dry Goods Association was organized?

Laughlin: A charter was issued to the Retail Dry Goods Association on October 26, 1926. Prior to that the downtown department stores and the women's ready-to-wear stores, although unorganized, met from time to time to discuss matters of common interest.

Gilb: Was the organization in response to union demands?

Laughlin: No. Union activities or demands were not presented as an issue for any action prior to 1936.

Gilb: Did Hale Brothers belong to the old Industrial Association which was militantly against the unions?

Laughlin: Yes, but I must raise a question against the use of the phrase "militantly against the unions." San Francisco had been known many years prior to the organization of the Industrial Association as a strong union town. It was not the purpose of the Industrial Association to destroy the unions but rather to protect property. As a means to that end they engaged a property protective organization later known as "Black Jack Jerome's" as a disciplined group to maintain order at the time of strikes against any members of the association.

Gilb: Did Hale Brothers belong to the Committee of 43 which preceded the Employers' Council?

Laughlin: No.

Gilb: You did belong to the Employers' Council, did you not, which represented a new willingness of employers in the late 30's to bargain with the unions rather than to try to break them up?

Laughlin: Yes. The Employers' Council succeeded the Industrial Association in 1936 and was functioning prior to the serving of the demands of Local 1100. *INCORRECT*

HALE BROTHERS' LABOR RELATIONS; THE RETAILERS' COUNCIL; AND THE RETAIL CLERKS' UNION, SAN FRANCISCO

Gilb: What were Hale Brothers' policies toward labor prior to 1937?

Laughlin: Hale Brothers had no definite program on labor relations prior to 1937 except for a contract which was city-wide in coverage concluded with the Building Maintenance Union in ^{PROBABLY 1925} 1925 and also the previous Teamsters' Union contract involving our delivery drivers. We had no direct negotiations with the latter but abided by the provisions of the contract as executed by the Teamsters' Union and the Warehousemen's Association.

Gilb: Were the department stores afraid that Bridges' ILWU might organize their employees?

Laughlin: Dave Beck had organized the employees of all large stores in Seattle as a subsidiary union of the teamsters, and our associated stores were apprehensive that the powerful Bridges union might attempt the same action here, and we wanted no part of either. We personally knew the leaders of the A.F. of L. Labor Council headed by Jack Shelley, and although they were strong fighters for their union demands, we had high respect for the character of their leadership.

Gilb: Prior to 1937, was there any attempt to organize the retail clerks?

Laughlin: Late in 1936 Carmen Lucia, an organizer, and her husband came from Chicago and organized a group from several of the downtown stores for a systematic recruiting campaign. No specific action was taken by the stores, but of course they were aware of the movement.

Gilb: What do you think caused a retail clerks' organization to appear in 1937?

Laughlin: The teamsters' strike, the longshoreman's strike, and the unionization of white collar workers in the East, and also the warehousemen's strike against Woolworth's in the fall of 1936.

Gilb: Who were the organizers of the new union? Did they have the help of other unions?

Laughlin: Carmen Lucia and her husband, Larry Vail, and John Blaiotta were the most active. They had the support of the Central Labor Council, the A.F. of L., and all craft unions.

Gilb: What kinds of department store employees were included in the union?

Laughlin: All kinds except craft union members and building maintenance employees.

Gilb: Can you tell us about the formation of the Retailers' Council in 1937?

Laughlin: After the demands of the Department Store Employee's Union were served by Mr. Sam Kagel, spokesman for the union, the Retail Dry Goods Association and the Retail Merchants Association called a meeting of retail merchants of all classifications because the demands would affect all retailers. This group of retailers was designated as the Retailers' Council, and by mutual stipulation with the union acted as a unit for sole bargaining negotiations.

Gilb: Although a strike didn't occur until 1938, after the original contract expired, the clerks' demands in 1937 inspired the organization of this Retailers Council? It didn't take a strike to create the Council?

Laughlin: No, the Council was formed immediately after union demands were first served on six downtown stores. By stipulation a group of employers was recognized by the union as sole bargaining agency for all stores. The recorded membership of this group consisted of the Emporium; the White House; the City of Paris; O'Connor; H. Moffat Co.; Livingston Brothers; H. Liebes & Co.; Nathan Dohrmann; J.C. Penney Co.; Roos Brothers; Robert B. Atkins; E.J. Anger; Cosgraves; David Schonwasser; Edison Brothers; Federal Outfitting Co.; Gantner & Mattern; Hale Brothers; I. Magnin; Joseph Magnin; Fauson's; Ranschoff's; Palace Hardware Co.; Weinstein Co.; Charles Brown & Sons; Foreman & Clark; Moore Ltd.; Gray's; Bergers; Patrick Moise Klinker; Hansen & Son, Inc.; Nelly Gaffney, Inc.; C.H. Baker; Fashion Bociety; Frank Moore; Sears, Roebuck & Co.; Sherman Clay & Co.; Sommer & Kaufman; Star Outfitting Co.; Steinberg's; Filten's; and Frank Werner Co.

Gilb: That's a very large number of stores.

Laughlin: Yes, forty-seven.

Gilb: And Hale Brothers was in from the beginning.

Laughlin: Yes.

Members of the Retail Council and the first Negotiating Committee were as follows: E.O. Dalton, Secretary of the Retail Dry Goods Association, the temporary chairman; E.C. Lipman, the Emporium; J.W. Laughlin of Hales; George W. Hall, the White House; Carl Livingston of Livingston Brothers; C.H. Travers of Sherman Clay; M.P. Meyer from Nathan Dohrmann; C.H. Turner, Hastings Clothing Company; R.D. Carpenter, I. Magnin & Co.; Milton Marks, successor to Judge Sloss as spokesman; W.G. Storie, counselor.

- G.: Of all these people, who were more or less the leaders of the group?
- L.: Mr. Dalton was temporary chairman. He was succeeded by Mr. R.D. Carpenter of I. Magnin & Co. as rotating chairman. I succeeded Mr. Carpenter and served as chairman the greater period during the strike of 1938 and after the strike until the next contract was signed in 1941, and from time to time until my retirement in January, 1945.
- G.: It was something entirely new, the fact that the retail clerks should be organized and be making demands. I wonder what you thought of their demands. Did they seem unreasonable to you?
- L.: Yes, there were some classifications that were unreasonable because they presented inequities, in our experience and judgment, in wage scales. The demand for a closed shop was most pronouncedly in opposition to our policy. We were opposed unanimously and immediately.

The wage demands, in general, effected a sizeable increase in operating costs, but I do not consider that the demands as finally accepted were unreasonable. In some classifications they were not agreed to.

The only real issue was the closed shop. That was not urged by the rank and file of the union, but by the officers because it was hard for them to differentiate between union closed shop agreements with craft unions and those with employees of department stores.

We felt we had to oppose the closed shop or preferential hiring. The employers were firm in this opposition. They had

to retain control and selection of office and sales personnel if they were to operate their businesses efficiently. Aside from technical abilities, other intangible factors such as past experience, attitude, personal presentation and characteristics of speech counted heavily in the role of the sales person or office employee when they did not count in the case of manual workers. The person behind a sales counter, the secretary or office worker, especially then, was important in developing public relations upon which successful retailing was so dependent. We could not concede the selection of employees to the hiring hall or the business agent.

G.: I see. You were absolutely, on those grounds, opposed to the closed shop. Would you have been favorable to the union shop?

L.: The union shop, as we know it, was not a factor of determination at that time. It was not an issue. The closed shop was in the air and there was no reason that they could see why it wouldn't apply to retailing as well as any other type of business.

G.: Were all of the stores in 1937 unanimous in this feeling against the closed shop?

L.: There was no wavering of unanimity on that issue.

G.: And on other subjects, except certain wage demands, they were more or less willing to give in?

L.: They of course negotiated and didn't immediately agree to the classifications and wage scales and other working conditions, but the issue that dominated all other factors of negotiation was the question of the closed shop.

G.: That's what delayed it so long.

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L.: Yes, the unions held tenaciously to that.

G.: Weren't they making a rather strong demand considering that they were a brand new union?

L.: Well, the slogan of the movement was "strike." That was demonstrated almost from the very beginning. There were threats of strike before we began serious negotiations. It was in the air in San Francisco, which had been a field of labor strikes over a period of previous years.

G.: There was no strike by the Retail Clerks prior to this negotiation?

L.: No.

G.: It didn't occur until 1938, after the original contract expired?

L.: That is correct.

G.: Can you tell us something about the personalities of the negotiators? How would you describe Judge Max C. Sloss if you were describing him to a stranger?

L.: Judge Sloss was an eminent retired ^{STATE} federal judge. He was a kindly man and had perfect self-command under all circumstances. He met every demand and argument with temperately expressed analysis.

G.: What sort of man was William G. Storie?

L.: He was chief assistant to Senator Boynton, President of the Industrial Association. After the Senator's death, the Association became the Employers' Council of San Francisco with William Storie ^{INCORRECT} as president. Mr. Storie, because of his long background in labor negotiations, was assigned to the stores' negotiating group and attended all meetings with the union representatives as well as conferences of the negotiating committee and the

principals of the stores. His experienced advice and clear thinking were invaluable and saved our inexperienced store representatives from many pitfalls.

G.: And on the other side were Jack Shelley and Sam Kagel.

L.: Jack Shelley, then Central Labor Council president, now Congressman, was a hard and highly competent fighter for the demands of the union. He emerged from this long period of negotiations with the highest respect of the representatives of the stores for his demonstrated outstanding ability, his temperate attitude and his integrity. He never broke his word.

G.: And what would you say about Sam Kagel?

L.: He served as spokesman for the union from the first meeting in 1937. He displayed exceptional ability, was clear and concise in his arguments and immediately impressed all with his sense of honest dealing. He was a square shooter. He was absolutely convinced as to the rights of labor as he saw them and fought hard and with great skill for the union demands. As in the case with Shelley, he emerged with the highest respect of all members of the employers' negotiating committee.

Mr. Kagel is now one of the most prominent arbitrators mutually chosen by employers and employees in this district, further evidence of confidence in his integrity and square dealing regardless of affiliation.

G.: Was there any negotiation done off the record?

L.: Considerable. When the negotiations would reach an impasse. In our negotiations until the final break-up and declaration of strike, so many members on each side interrupted from time to

time that it resulted in heated arguments, sometimes quite inconsequential and without regard to the issue of the moment, and things would get so stormy that adjournment was taken.

G.: So you had to have off-the-record negotiations?

L.: I would like to make clear that no disputed questions or demands were decided in these off-the-record meetings. We met simply to decide on procedure to get the meetings back on an orderly basis so as to avoid disruptive tactics and disorders.

G.: Your off-the-record meetings were simply to expedite matters?

L.: To expedite and clarify.

G.: Did the leadership in the Retailers' Council change?

L.: When you refer to leadership I assume that you have reference to the policy committee of the Retailers' Council Negotiating Committee, the chairman of which was alternately Mr. R.D. Carpenter of I. Magnin & Co., S.C. Lippman of the Emporium, Mr. Turner of Hastings Clothing Company, Mr. Hall of the White House, not mentioning our attorney, Mr. Milton Marks, who would act as chairman. I served in this capacity practically without change from the beginning of the 1938 strike until my retirement in January, 1945.

I might add that my employers gave me absolute discretion in labor relations. I never had to suspend a decision until cleared by my employers. (I think that is largely a reflection of the character of my employers. They were great men.)

G.: Were you satisfied, as a representative of Hale Brothers, with the contract as it finally evolved in 1937?

L.: I found no effects that were seriously disturbing. It had one apparent benefit and that was, for months prior to the agreement,

it was quite apparent that dissatisfaction and disturbance existed in the stores on the part of the employees and the final settlement and return to work did have a stabilizing influence.

HALE BROTHERS' LABOR RELATIONS: OAKLAND, SACRAMENTO, SAN JOSE

- G.: You were in charge of labor relations in San Francisco, but Hale Brothers had several other branches. Did your jurisdiction over labor relations extend to those other branches?
- L.: It did. The Mission Street store, Oakland store, our Sacramento store and our San Jose store. I had general jurisdiction over the labor policies and conclusions.
- G.: How much discretion did you leave to the individual store managers?
- L.: Very much. Only on matters that might affect the general policy of all stores did I influence decisions.
- G.: Of course, in each town the labor situation was different.
- L.: Correct.
- G.: Were you very familiar with the Labor Retail Clerks' Organization in Oakland?
- L.: The employers over there were represented by Mr. Orton Lucas, the manager of the Oakland store, and Mr. Paul St. Sure, attorney. Except for some salary changes, Oakland union demands were quite similar to the demands served on the San Francisco stores by Union 1100.
- G.: Did Hale Brothers belong to the Retail Merchants' Association of Oakland?
- L.: Yes.
- G.: Did they belong to United Employers?
- L.: No.
- G.: I understand that in Oakland the retail clerks were much less successful in getting established in the department stores than they were in San Francisco. How do you account for the difference?

- L.: Because the great strikes from which they received their inspiration were centered in San Francisco. It was more in the air here. There were more experienced labor leaders for labor negotiations. San Francisco has always been a union town, contrary to the experience in Oakland.
- G.: Your Oakland store had as high wages, didn't it?
- L.: Oh yes.
- G.: Was there much difference in working conditions between the union and non-union stores?
- L.: No.
- G.: Did the stores follow a policy of granting equal wages in order to avoid unionization?
- L.: No, I can honestly say that that was not a contributing factor. There was a monthly review in all the stores of wages, promotions and transfers, based upon the reports, first of the employment manager and up to the superintendent; if it involved executives, buyers and their assistants, up to the president. It was not a haphazard thing, but a serious review.
- G.: And you granted wages according to general wages prevailing?
- L.: I wouldn't say so. General conditions prevailing, of course, had a bearing during the depression on the whole area of salaries and wages, but the monthly review was primarily conducted to give individual consideration to all employees.
- G.: Was the situation in Sacramento different from the situation in either San Francisco or Oakland?
- L.: Somewhat lower in wage scales.
- G.: Did the retail clerks have an organization there at about the same period?

- L.: Yes. And this was true in San Jose.
- G.: In other words, in all of these communities the retail clerks suddenly organized about 1937.
- L.: Not all of a sudden, but comparatively so. There had been no such organization prior to 1936.
- G.: But the only place they were really strong was in San Francisco?
- L.: That's correct.
- G.: And in all of these communities Male Brothers belonged to whatever the local retail organization was?
- L.: Correct. And carried on collective bargaining.

1938 AND 1941 STRIKES, SAN FRANCISCO

G.: In San Francisco what do you think accounted for the Retail Clerks going on strike in 1938, after there had been a contract for a year?

L.: The demands after the expiration of the 1937 contract were, with the exception of some minor adjustments, again a dominant argument for the closed shop. It was pointed out that the claim of union immaturity no longer prevailed as the one-year relationship with the union had developed no serious complaints on the part of employers of misbehavior or neglect of assigned duties on the part of union members. But exclusive rights of the employers in unrestricted hiring and placements still held fast, and after long negotiations strike sanction was taken. The strike was finally settled and a contract executed in November 1, 1938. The second strike, against four stores only, was put into effect November, 1941, and a new contract was executed February, 1942, for the period of three years.

G.: The 1941 strike was not against Hale Brothers?

L.: No. The Emporium, Sears, Weinstein's, and Penney's.

G.: Yet the contract about which they were striking was one common to all stores, was it not?

L.: That is correct. Those stores continued to function normally, and solidarity was unimpaired except for one store, Weinstein's. They withdrew from our group entirely and entered into a closed shop agreement.

G.: What was the effect of their withdrawal on the group?

L.: Practically negative. It made very little difference with Weinstein because they were almost entirely organized and they operated

almost as a closed shop anyway.

G.: By negative, you mean you didn't care one way or the other?

L.: That's rather harsh to say but that was the situation. Mr. Weinstein had very little to say. He always brought a rabbi with him and he was always talking about his own store. He didn't enter into the spirit of trying to reach an amicable agreement that would reflect the attitude of all associated stores, so he was never considered as an active member at all.

G.: How do you account for the fact that his store was much more organized than the others?

L.: It's pretty hard to account for that, except that they did not have the advantages of training that the other stores had. They did not hold store meetings. They had no incentive awards or systematic system of advancement or recognition of meritorious service.

G.: In other words, the conditions were bad.

L.: I wouldn't say bad, but they were more open to organization.

G.: Did your stores ever resort to the use of injunction in any of these strikes?

L.: Never even discussed it. I think we would have been unanimous in opposition to application for an injunction.

G.: Did the unions exert any sort of violent pressure?

L.: The first strike was violent in the extreme for a period. The police were called to double duty. There was mass picketing and it got out of hand in many respects. There was name-calling against entering customers and harassment without bodily injury, with a few exceptions. One assistant manager or superintendent of Weinstein's was seriously injured and others were jostled and threatened.

Great crowds surrounded every store. Not just members of the 1100, but augmented by other unions.

Let me say here—and I was pretty close to the situation and had means of getting information—that I know the officers of the Central Labor Council and the officers and spokesmen of the union did everything humanly possible to keep down or prevent any violence on the part of the pickets. The disorders were not inspired by them. On the contrary, I know that they made every possible effort, in their meetings and everywhere else, warning against violence, saying that it was working against their ends.

Q.: By whom was the violence inspired?

L.: The mob spirit, which is usually fanned when great numbers are assigned to a job of picketing. Antagonism prevails and tempers are aroused, with the result that threats and violence break out.

Q.: What unions did participate in the picketing?

L.: The teamsters and the longshoremen.

Q.: Do you think this helped the power of the retail clerks to get their demands?

L.: No, I do not think so. I don't think it had any bearing on the stores at all, because we weren't dealing with those who resorted to violence. We were dealing with those who were doing their darndest to prevent violence. Our attitude during the negotiations was not affected at all by the violence that resulted.

Q.: Did the union gain in its efforts for a closed shop? Did stores other than Weinstein's gradually give way?

L.: No, that was the only one.

G.: Right after 1941 came the war. Can you summarize what effect the war had on labor relations in your store?

L.: Of course it presented a problem of getting help. In respect to working conditions and maintaining the salaries that were established, it had no effect either way. We were covered by a contract.

G.: During the war did you have many dealings with the War Labor Board?

L.: No, we had very little contact. Of course, the Department of Labor Conservation was under the jurisdiction of the War Labor Board.

RETAILING AND LABOR RELATIONS: SOME GENERAL COMMENTS

G.: I wondered, at the time you retired in 1945, what percentage of your retail clerks belonged to the union?

L.: I would say upward of 60 to 65 percent.

G.: How do you account for the others not belonging?

L.: It is difficult to account for it. We never did anything to intimidate, from the very beginning of the formation of the union. I am sure no other group of our store did. There was a natural tendency to join unions at that time, and we all considered there would be nothing that could be done if we wanted to prevent the unionization of the employees so we left it entirely to their own judgment.

G.: Would you say there was a difference between the types who joined and those who did not?

L.: I would say not. I don't think home environment, education, or previous business training or affiliation had any bearing at all. In engaging help our employment manager never under any circumstances questioned the applicant as to union membership or political affiliation of parents or near relatives.

G.: What percentage of your clerks were women?

L.: 75 to 80 percent.

G.: Would the men tend to join the union more than the women?

L.: Yes, in proportion to their relative numbers.

G.: Perhaps women don't think of themselves as permanent employees.

L.: That may be true, but not from a feeling of insecurity as to their jobs. More probably influenced by the thought of early retirement.

- G.: Did you find after you began dealing with the union that there was less turn-over and more stability among your labor force?
- L.: No, I do not think that was a fact. We went right on in our regular way of advancement and promotional transfers. We made no particular change, nor did the union have any effect on stabilizing employment. We still exercised our right to hire and assign according to our judgment.
- G.: I noticed that in Oakland one of the issues with the department stores was the fact that the stores required compulsory employee-paid insurance. What was your policy in San Francisco on insurance?
- L.: We just left that. We didn't have insurance.
- G.: What about the use of commissions? I noticed that in Oakland employees thought there was an unjustified effort to speed up the work through commission incentives.
- L.: The prevailing commission was 2 percent on all net sales. It amounted to little. It was more designed as a badge of good performance.
- G.: And it was not an issue between the management and the employees?
- L.: Oh no, not here.
- G.: Do you think the rise of wages for manual workers in the late '30's and during the war helped make the white collar workers more demanding?
- L.: Unquestionably. That was a very definite factor. It must be admitted that the so-called white collar workers were not paid on a parity with manual workers, members of other unions.
- G.: When the union entered the picture, did the gap close up a little?

L.: Yes, adjusted wages brought it nearer to parity. That was definitely one of the more positive achievements of the union.

G.: Did you find any evidence that the retail clerks were pressured into joining the union?

L.: I wouldn't use the word "pressured." There wasn't any threatened violence, no disorders in stores, in any stores, by union organizers who might come into stores and interrupt business or threaten employees. There were notices of meetings for employees posted and we permitted them to be posted. Their arguments were presented in their own halls after business hours. I can't lay any blame at all from the standpoint of disrupting our business or threatening any overt act at all on the part of the organizers against the employees as an effort to pressure them.

G.: Who were the outstanding men in the union?

L.: Larry Vail and John Blaiotti. John Blaiotti is still the president and Larry Vail is the general business agent in charge of all other business agents. Those two were really outstanding.

G.: You respected these men?

L.: I did. You could sit down and talk with them and reason with them. They were not threatening or bombastic at all.

G.: Did you think there was any dishonesty among the union leaders?

L.: I do not. There never was the slightest bit of evidence to that effect.

G.: As you had to pay higher wages, did this cause you to work out devices to save labor, like installing ways that customers could wait on themselves?

L.: I think that has had a bearing on the spread of self-help. But we had no self-help in our store. None of the department stores had.

G.: Did the higher wages affect prices in your store?

L.: Not to an appreciable extent. One of the duties of the superintendent is to prepare, present for approval and to control expense budgets covering all items of expense, and there are sixty-two classifications in the operation of a large department store. Now, wages and salaries come as the outstanding item of expense.

G.: What percentage would you estimate?

L.: About 55 to 55 1/2 percent of total operating expenses, considering all the departments. That would be the general average, and that's an outstanding item of the budget. When you make up your budget, your pricing structure must take cognizance of the expense budget all the time in order to maintain a solvent position and produce a profit.

G.: So each time you had to give higher wages, you had to adjust your prices?

L.: I wouldn't say that. Improved operations in every way tend to reduce operating costs. You can pretty nearly offset it. Of course, it does affect prices as any other item does. The elements that entered into the determination of the selling price were the cost from the wholesaler, the transportation, wear and tear, pilferage, wages, care of property, and many others.

G.: Then, if you gave higher wages and that cost could be offset in some other way, you wouldn't raise your prices?

L.: That's correct. Raising prices is the last thing a successful merchant thinks of. Competition forces him to think of every reasonable means to keep prices down.

G.: In the overall, were you satisfied with this multiple-employer bargaining approach?

L.: Most decidedly.

G.: You wouldn't have tried to do it individually.

L.: No. We were the only city in the United States that had so-called multiple-employer representation, recognized by the union as the sole bargaining agent. The union immediately stipulated with us that they would recognize us as the sole bargaining agent for all those stores and we in turn recognized the union, ILOO, as sole bargaining agents for all employees in all the stores except those covered by previous contracts. It helped both sides.

G.: What did you think about the union at the time you retired?

Were you glad it was there or would you just as soon have seen it dissolved?

L.: That's a rather difficult question. If you answer it philosophically and not selfishly, it's pretty hard to draw the line of separation.

Union labor is here to stay. There's no indication at all of its disintegration, in any classification of industry in America. It did not come as a catastrophe or some great serious social threat to us. It was in the air and it's going to remain here. Reconciliation to it is thoroughly established.

My sympathy with labor was due to the fact that I was once poor as a churchmouse myself. I wasn't born with a silver spoon in my mouth.

G.: Did Hale Brothers, in consideration of its labor problems, ever participate in political activity? Or try to lobby in any way?

L.: No, they never did in any way to my knowledge.

G.: In general, what do you think have been the most significant changes in the retailing picture in this region over the last forty years?

L.: Well, that would cover a long time. When I first began in retailing, there was no method of gauging capacities and aptitudes, no training. If there was a vacancy and one presented himself as an applicant, if he wanted the job he usually got it unless someone beat him to it.

The stores have training programs now, through experience and institutions of learning, graduate schools of business and universities and other special schools. They aim for a high degree of selectivity and it has resulted in an improvement in the type of people that are employed.

In my early days, the college graduate seeking employment in the department store was a thing unheard of. They would think there was something wrong with him if he chose that as his field. Today I know of no business that offers greater opportunities for those of ability, training, educational background, ambition, determination and serious application, both from the standpoint of merited reward and remuneration, than department stores.

G.: When you say this, does it include women as well as men?

L.: Definitely.

G.: And that includes advancement into the higher echelons for women?

L.: Yes. Women have equal opportunities with men to qualify for high executive positions and positions of higher remuneration.

G.: And you still feel today that because of the greater skill, training and special qualities of character which the stores look for and need, that the hiring through a union still would not be plausible for department stores.

L.: That is correct. They would have had to have the background of experience and to have passed through the minor ranks to reach the position where their authority is applied to the hiring of help in order to select intelligently. It's impossible through a hiring hall or a business agent of the union.

I believe, that despite the present evidence of violent strikes in the Eastern and Southern states and the building up of a fund of twenty-five million dollars by Reuther's union in preparation for a long strike, we are approaching an era of more harmonious labor relations, especially in the Western states. This belief is based on the increasing acceptance of conciliation, mediation and particularly arbitration, and most important, a better understanding and acceptance of labor's rights and the more mature leadership of organized labor, who realize that excessive demands destroy or hamper the successful and enlarging operation of business and would result in unemployment and industrial stagnation.

I do not advocate outlawing strikes, except when the country is endangered or the public is subjected to great hardship, but I believe the strike should be the last resort after all machinery

has been employed and negotiations have failed.

G.: And your experience in San Francisco with unions is that amicable relations can be reached by negotiations?

L.: That is correct.

Transcriber: W.B.

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