

The Ups and Downs of a Santa Clara Union:
A. F. of L. Retail Local 428, 1944 to 1948
(Originally written for History 296 with Dr Cornford)

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Introduction

The last years of World War II, and the period immediately following were exciting years for labor organizing. High wartime employment provided increased job security, and occupational mobility, although wage and price controls limited the extent of labor demands. In the first years after the end of the war proved many unions across the country were able to make substantial gains in wages, benefits, and conditions. However, a backlash settled in the late 1940s, as the economy adjusted to peacetime levels, and businesses organized to combat union demands. The onset of the Cold War, and the accompanying anti-communist ideology, damaged the credibility of unionists, in particular those with socialist ties. Many of labor's hard-won gains were weakened or lost.

During this period in the 1940s, Retail Local 428, an A. F. of L. affiliate, was an active presence in Santa Clara County labor politics. The bulk of it's of its membership consisted of employees at grocery, liquor, and department stores. The union also represented some drug store employees. With much hard work, the local made substantial gains for its members in the years between 1944 and 1948, particularly for grocery and liquor store clerks. A close examination of Local 428's activities in these years provides an interesting glimpse into Santa Clara labor history.

*Note: All parenthetical references are to the Union Gazette, unless otherwise noted.

Retail Local 428 Organizing Activity, 1944-1948

Retail Local 428 was relatively quiet in 1944 and 1945. Little strike activity went on, and the pace of acquisition of new locals was slow. Wages were frozen by the War Labor Board so any union gains would have to be in benefits. In this period, the local established precedents in vacation policy: a shorter period before the accrual of vacation time, two weeks paid vacation for many employees, addition to wage increases. The local also established a precedent for the 5 day, 40 hour week for grocery and department stores in the San Jose/Palo Alto/Gilroy area.

In late 1946 and 1947 the union was extremely active. By the beginning of 1947, all major department stores were organized with the exception of Penney's. Many new stores joined the local, some by explicit union efforts, and others by ex-union members turned small business owners. The number of small stores owned by former union members could indicate either that wealthy men planning a career in retailing felt the need to start at the bottom, or that for a significant minority of worker, the rags to riches American dream of moving from employee to proprietor was possible. The fact that many contracts included department managers points to good relations between lower management personnel and the rank-and-file worker.

Relations with upper management ranged from cordial to extremely hostile. Many contracts were resolved at the negotiating table. Strikes, and the threat of strikes provided a

powerful back-up to negotiation. The strike was a more effective weapon as a threat than as a reality; store managers and owners often capitulated before the threat of an impending strike, after members had gotten strike sanction from the Santa Clara Labor Council. The bad publicity, and lower profits caused by a strike often encouraged management to negotiate. Once a strike was called, the success rate for the union was not as high. The local was far more successful in the grocery business than in the department store business.

During the period from 1944 to 1948, the local was involved in several major labor disputes. Local 428 was involved in a dispute with Federal Stores of San Jose in the fall of 1946 over the union's attempts to set up the new Federal store on First Street as a closed shop. The union picketed the as yet unopened store in November. On November 16, Superior Court handed down an injunction to stop the picketing. The local's secretary-treasurer, James McLoughlin, and a member named Ross Plummer were arrested for violation of the order. When the store opened, an N.L.R.B. election was held, and the store's employees joined the local in 1947.

In 1947 the union decided to expand into the Gilroy area, targeting grocery stores. The union began organizing employees at Bettancourt's Market. Al Bettancourt, the owner, was extremely hostile to the union, and employed a range of creative tactics to prevent its installment, but after a three week strike, he gave in. This set the precedent for most of the

market in Gilroy to become unionized. In another dispute, the local filed charges with the NLRB against Hinks's Department Store of Palo Alto over unfair labor practices, including efforts to intimidate union employees (7/26/46). The store was put on the "We Don't Patronize" list for refusal to appear before the Santa Clara Labor Council (8/30/46). Hale Bros Department Store and the union went through protracted negotiations over their contract, and the union was forced to undergo an additional NLRB election. The local was victorious, and eventually settled in an agreement in which the store paid an estimated \$80,000 in back pay (7/19/46).

In early 1947, Local 428 targeted Penney's for a picket as the only non-union major department store in the area. Picketing began at the J.C. Penney's in February of 1947, over the store's refusal to recognize the union. First the local targeted the established store. The union picketed the grand opening of the new J.C. Penney's at 1st and Santa Clara. The strike got considerably nastier after Swanson, the manager, and a city schools trustee, recruited S.J.S.C. students as strikebreakers. Many of the students involved later apologized for the incident, and some members of the American Youth for Democracy club picketed with the union. The Student Court instituted proceedings against the A.Y.D. for their involvement in the picketing, and the club was expelled from the campus. The local accused Swanson of hiring plants to cause trouble for the union, and of bribing them for their anti-union work.

The union ran newspaper and radio ads to gain public support for the Penney's campaign, and appealed to members of other unions for support through boycotts, financial backing, and letter writing drives to Penney's officials. The Penney's strike became a protracted eleven month battle, which was broken when management got an injunction against picketing against the union. The union's success rate dropped significantly after the injunction was handed down halting picketing at Penney's. Despite the obstacles they were encountering, the local voted to support the Santa Clara Organizing Committee in February.

At Sears, the retail clerks won the first five day week for department stores in San Jose. But trouble was on the horizon. In early 1948, Sears, Roebuck Co. began a campaign to decertify the union, hiring a large number of temporary and part-time workers, and actively campaigning to get rid of the local. A new employee petitioned the NLRB for a decertification election. This action may have been prompted in part by a National Labor Relations Board ruling that grocery chains did come under Taft-Hartley jurisdiction; the board found an A.F. of L. local guilty of refusing to bargain collectively because they maintained a closed shop.(4/23/48) In May, the election was held, and the union lost by a considerable margin. The local attributed to loss in large part to new part-time and temporary employees.

The disputes with Penney's and Sears proved the most damaging to the union. The decertification drive at Sears contributed to a general demoralization in Local 428 at the end

of 1948. Union leadership turned to the political system for results, when traditional union activity failed. The Retail Employee column repeatedly encouraged members to vote, and get involved in the congressional and national elections. The union turned both to the ballot box, and towards a redirection of attention toward national issues, particularly the issue of racism and inequality. The Retail Employee ran a seven part series on racism in America, dealing with the issues of blacks, hispanics, asians, and other minorities.

The local was for the most part successful in pushing for its demands when dealing with grocery stores. However, the union was not as successful in establishing a regional standard for department stores. All but one of the major strikes involved a department store. The Bettancourt strike in Gilroy was the one exception.

Concrete Gains: Agreements Won by Retail Local 428, 1944-1948

Local 428 Food Store Clerks Agreements for the San Jose, Santa Clara/ Gilroy/Palo Alto Area

<u>6/1/43-6/1/44</u>	<u>6/1/44-6/1/45</u>
<u>Weekly Wages</u>	
Managing Clerk \$54	\$54
Head Clerk \$45	\$46.12
Regular Clerk \$40	\$40
Beginner Clerk \$30.25	\$30.25
Hours 48/week	48/week
No paid vacation	2 weeks paid vacation after 5 years service
8 paid holidays	9 paid holidays

In the period between June 1943 and June 1944, the War Labor Board controlled wage rates. The position of Head Clerk was upgraded, and received a 2.4% increase in pay, while other wages remained fixed. The local negotiated an increase in vacation benefits: Admission day was added as a paid holiday in 1944, and worker became entitled to two weeks paid vacation after 5 years work.

<u>6/1/45-6/1/46</u>	<u>6/1/46-12/1/46</u>
<u>Weekly Wages</u>	

Managing Clerk	\$55.12	\$57
Head Clerk	\$47.04	\$48
Regular Clerk	\$40.80	\$43
Beginner Clerk	\$30.86	\$33.25
Hours	48/week	40/week
2 weeks paid vacation after 5 years service		1 week paid vacation after 1 year, 2 weeks after 3 years
9 paid holidays		9 paid holidays
Sunday overtime		Sunday overtime

The food clerks received a slight pay raise in June 1945. Wages rose by 2.1%, and vacation benefits remained the same. In June 1946 the union secured a six month contract which included a 20-23% hourly pay raise for all pay categories, while reducing hours by 16%. This allowed net wages to rise slightly despite an 8 hour cut in the work week. Vacation benefits were extended; an employee with one years service could now take one week off, and the service time required to qualify for two weeks vacation was reduced to three years.

12/1/46-12/1/47
Weekly Wages

12/1/47-12/1/48

Managing Clerk	\$75	\$80
Head Clerk	\$60	\$65
Regular Clerk	\$55	\$60
Beginner Clerk	\$45	\$50
Hours	40/week	40/week
Vacation	1 week after 1 year, 2 weeks after 2 years	2 weeks after 1 year
Holidays	9 paid holidays	9 paid holidays
Night pay hourly premium	+ \$.10 6:30-1pm + \$.15 11pm-7am	+ \$.10/hour 6:30-1pm + \$.15 11pm-7am
Overtime	1 1/2 time for 8+ hours/day, + 5 days in a week and Sundays	1 1/2 time for 8+ hours/day, + 5 days in a week and Sundays
	2.5 time if the 6th workday, 3 time if the 7th workday	2.5 time if the 6th workday, 3 time if the 7th workday
Part-time work	+ \$.10/hour for all employees working less than 36 hours a week	+ \$.10/hour for all employees working less than 36 hours a week

The contract negotiated in December of 1946 was for one year, and included another significant wage increase. Hourly pay rates increased by 23-26%. Overtime and night pay agreements were also standardized for all food clerks in the area. Clerks were to be paid an additional \$.10 an hour for work between 6:30 and 11pm, and \$.15 for work between 11pm and 7am. A complicated provision was included detailing the rate to be paid for overtime work. Employees were to be paid time and a half for more than eight hours work in a day, for working more than five days in a

week, and for working Sundays as part of a regular five day work week. If the Sunday worked was the sixth workday of that week the pay rate was at two and a half time, if it was the seventh workday, the rate went up to triple time. These provisions seemed tailor-made to discourage management from trying to erode the five day work week. The December 1947 contract contained few changes from the previous one. It included a 7-10% wage increase in wages. All other provisions remained the same.

Average Annual Increase in the Consumer Price Index/ Percentage Increase in Wages for Food Clerks

	<u>CPI</u>	<u>Wage Increase</u>
1944	2.5%	0-2.4%
1945	2.4%	2.1%
1946	8.3%	20-23%
1947	13.2%	23-26%
1948	6.8%	7-10%

This chart makes clear that in 1944 and 1945, the food store clerks felt a loss of real earning power. In 1946 and 1947 the union made considerable gains, even adjusting for a dramatic rise in the cost of living. In 1948 the wage increase essentially kept pace with inflation.

Newly Organized Stores

1/31/47 Jimmy's Market (owned by a former Local 428 member)
2/14/47 King Cole Market* (owned by a former Local 428 member)
4/11/47 Mayfair Department Store
6/27/47 Los Altos Food Store
11/12/47 Federal Stores- Organizing drive for union won
after picket, legal battle
7/16/48 3 new markets in Mountain View

The pace of organizing fell off dramatically in 1948, after the failed Penney's strike. More small grocery stores were organized than department stores or chain food stores. Only one of the new stores unionized in this period was opposed, at Federal Stores

Retail Local 428 and Department Stores

Local 428 was not as successful organizing department stores as it had been with food stores. The union was not able to negotiate any kind of regional agreement with department store management, although it tried in November of 1947. Fewer new department stores were added. It was not possible to make a comparative wage gain chart with the data available. The information on department store contracts contained few specifics on wages earned. A look at the contracts made is still informative. At a few stores, the union was able to make significant gains.

The most impressive gains were made at Hart's, where the employees won a profit sharing agreement whereby ten percent of the profit was to be shared among the employees according to the

hours they worked. The local was often unable to hold on to its gains. For example, the union secured the first five day week for local department store clerks at Sears in May of 1947, but the union then was decertified and lost the store one year later. In an interview with Marc Clark, James McLoughlin said that the Sears decertification was very damaging to the local, and that most of the department store locals were lost when the stores moved out of the downtown area.

Department Store Agreements

Sears and Roebuck Co. 11/1/45

Selling Employees	\$40 guarantee against commissions
Men's Dress Clothing	\$38 guarantee against 7% commission
Men's, Boys Wear	\$35 guarantee against 6% commission
Men's Work Clothing	\$35 against 5% commission
Mail Order Desk	\$33 plus .5% commission on net sales
Ladies Wear, Infant Wear Ladies Accessories, Linens, Fabric	\$31 + 1% commission on net sales
Clerical, Payroll Clerk, Audit Supervisor, Head Customer Service Desk	\$33.50 wk
Other Non-Selling Employees	\$32.50 wk
Division Heads	\$5 or \$10 over department pay scale

Hart's Department Store 4/12/46

18.5% wage increase

10% of net profits divided up
among employees who work more
than 300 hours, according to
hours worked

Hale Bros. 7/19/46

Base wage

\$32

10 minute rest in am
15 minutes in pm

time & 1/2 for store meetings
over 1/2 hour in 4 wk period

assurance of no anti-union
activity in the store

Increase in wages

Hale Bros. 11/19/46

+ \$.05-\$.22/ hour,
retroactive for 43 weeks

1 week paid vacation after 1
year, 2 weeks after 2 years

7 hour a day, 6 day week

1 1/2 overtime after 42 hours

Sears Roebuck 5/2/47

5 day week, fewer hours

Hart Store 11/21/47

5 day week, 40 hours
+ \$6.50 all wage categories
Beginners \$37.50, minimum
Assistant managers Dept scale + \$8

Kress Department Store 5/9/47

\$35.50 + 1% commision
\$2-5.50/week
40 hour week
overtime pay

Montgomery Ward 12/19/47

Base wage	\$31	\$37.50
Department Managers		\$8 over department pay scale

Drug Stores

Thrifty's, Owl, and Sontag Stores 5/30/47

48 hour week
Double time for holidays
Wage increase
Beginners wages \$35/wk 1st 6 mo., then
\$40/week
Registered Pharmacists, Assistants \$325/week
+ \$ 6.50-\$15.50

Thrifty Drug Co, Sontag Rexall, and Owl 8/13/48

Shorter hours
Wage increase

Management Tactics

Store owners and management often took out anti-union ads in local papers. For example, Bettancourt's took out an add encouraging people to cross the picket line, implying that union demands would lead to exorbitant food prices, and that giving in to union demands was somehow un-American (UCFW, 11). J.C. Penney's and Sears also took out ads justifying their positions during their labor disputes. Frequently the store claimed to pay equivalent wages, and have better working conditions than union stores.

Hiring Changes

Hiring additional temporary and part time workers was another strategy used to disrupt the union. New workers were unfamiliar with the local and its goals, and part-time workers to this day are less interested in organizing, as they have less investment in the job, and generally do not get benefits. The union alleged that Penney's and Sears hired particular workers specifically to carry on anti-union activity. In the Penney's strike, the local investigated a worker who was quoted in local papers making anti-union statements and found that he was working under an alias, and had recently been kicked out of Musician's Local 153 for non-payment of dues (3/7/47).

Bribery

Sears may have used bribery in the decertification election. The union was also suspicious of Arthur Potvin, the man who

petitioned the N.L.R.B. for a decertification election at Sears. They claim he bought a new car right after the election, and implied that he might have bought it with kick-back money (6/18/48). On a much less serious level, Bettancourt's tried to distract picketers with free food and beer during the 1947 strike (UFCW, 11).

Threats/Intimidation

Hink's Department Store Management threatened workers with dismissal if they participated in the union (7/26/46).

Legal Strategies

Penney's, Federal Stores, Hales, and Bettancourt's all sought anti-picketing injunctions against the local. This could be a very successful strategy, as it was in the case of the Penney's dispute.

Seeking NLRB Intervention? Decertification

Federal Stores Hale's, and Sears all tried this tactic. Sears was the only success between 1944 and 1948, but after the passage of the Taft-Hartley Act it became more common, and was used in other department stores locally.

Getting Support From Other Businesses

Bettancourt was able to organize groups of local businessmen to cross the picket line weekly to buy food at his market. Another businessman, a rancher, paid his employees in scrip good only at Bettancourt's to help break the strike (UFCW, 11).

Union Tactics

Striking

The strike was used very effectively in Gilroy with Bettancourt Market, and in 1946 with Sears. The threat of a strike was used in 1947 to pressure grocery store managers into an agreement with the food store clerks (12/26/47).

Picketing

Picketing, or the threat of it was used very effectively in the Hale Bros., Bettancourt, and Penney's strikes.

Getting Support from Other Unions

During the long Penney's strike, the local asked members of other unions to support the strike financially by boycotting the store, and by contributing to the strike fund, and through political pressure, through letter-writing to store management and local politicians (3/14/47). Local 428 exchanged support with other unions in the Bay area and beyond, actively supporting other strikes such as a strike against DiGiorgio Farms.

Advertising

The local sometimes took out ads during a particularly heated dispute. The union spent \$4000 on advertising during the Penney's dispute.

Boycott

Stores which refused to honor contracts, or refused to allow unions were put on the "We Don't Patronize" list, advertised in the Gazette, and sometimes in other papers such as the Mercury. Hink's, Penney's, and Sears spent a considerable time on this list. Members of any union and of the general public were asked not to buy from those stores. According to a March 7th, 1947

article, picket line crossers were photographed, to ensure that union members supported the picket. Other unions such as the teamsters often cooperated with Local 428 by refusing to work with designated stores until labor disputes had been resolved.

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Conclusions

The success or failure of Retail Local 428's campaigns for higher wages, better benefits, and to organize new stores were dependent on industry conditions, the larger political and economic climate, and on the union's tactics. Small, locally owned grocery stores proved more amenable to organizing than department stores, particularly the big chain stores. The establishment of a regional standard for wage agreements in the grocery business remained a tremendous achievement, despite the union's disappointing inability to extend a similar standard to the department store business. For some stores, management's willingness to try unusual or unethical tactics proved a trial to union members. The spectacular successes of 1946 and early 1946, in terms of newly organized locations, and strong wage and benefit agreements, were tempered by sobering setbacks, such as the disastrous Penney's dispute. Santa Clara mirrored the rest of the nation in experiencing an anti-union backlash in the late 1940s, and the effects were clearly felt by Local 428. The union's focus on national issues, such as racism, and on electoral politics in 1948 may be explained by the stiff resistance encountered to the local's organizing and bargaining

efforts. The years between 1944 and 1948 provide a picture not only of a lively part of the Santa Clara labor movement, but of the broader economic and political scene in America.

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