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KC Interviewing Jim Meyers. Jim could you give me a little biographical information about yourself, where you were born, how you came to Missoula?

JM Well I was born in Missoula, my folks lived on a ranch outside of Drummond, and I went to grade school, high school in Drummond. Finally got out of high school in 1932, came to the University. I went to school here for five years, being kind of dumb. I didn't get through it. [laughter] Then after I graduated from University in 1936 or 1937 I would guess I don't know, then I went to work for Johnson and Johnson, surgical dressing outfit up out of New Brunswick, Virginia. And I worked for them for probably a year, I called on every doctor and dentist in the state of Iowa. A horrible job to say the least. Then I came back here in 1938 and went to work in the appliance department [Missoula Mercantile] selling appliances; stove ranges, refrigerators, vacuum cleaners and what have you. Stoves and heaters and things of that nature which was strictly on a commission basis in those days, you didn't get any draw or any pay at all you were strictly commission. If you didn't work you didn't eat. And it was fun, I didn't get married until 1940, and I made a lot of money selling appliances and things. I don't know, I was lucky I guess. But I can remember one January I went 21 days and made 21 dollars.

KC Oh no.

JM And that's not good, one October I made 2,000 dollars and that was in 1939.

KC That was big money.

JM I thought I was rich of course, spent it right away, was broke shortly there after. Later, I forget, in 1939 or 1940 why Mr. Mcleod senior, T.H. Mcleod, senior, wanted me to become manager of the appliance department. Well I took the job, I made 2,000 dollars less as a manager then I did as a salesmen. I had kind of a dim view on it that time, but I got promised lots of things, and so I finally I stayed on as manager. Then in 1941 or 1940... 1940 or a little bit later then that I guess, they wanted me to take over the grocery department. Because I had been successful in the appliance department, they wanted me to take over the grocery department. Which was pretty stupid. And the stupidest thing I ever did was go down and they told me you go in and tell Mr. so and so, who was the manager, that he's fired and your taking his job. And if I had an ounce of brain I wouldn't have done it. If I had an ounce of brain! I remember why I did it, I guess I was told to do it and that's why I did it. I felt like a chump, I felt terrible, there this old guy down there, I
thought he was doing a pretty good job. So I took over the grocery department. Oh boy, I could have died, worrying, trying to learn the grocery business, and working there. Finally in 1941, I guess the war started in 1941, anyway then I began to decide whether I was going to go in the army or the navy or whatever I was going to do. I didn't want to get drafted. I wanted to volunteer. I went to Seattle and Lyle Zimmerman was out there and he was on some general's staff. He said, "If you come out why maybe we could figure out something to do about the army." So I did. So I looked for his office and of course I asked for Lyle Zimmerman and they didn't have a Lyle Zimmerman, his name was Perry L____, and I didn't know, I forgot it. So I was walking down the street and I looked at the sign and it said Navy Procurement Office, so I said what the hell, so I went in the Navy Procurement Office. And I ended up in the navy -- went out to see the army ended up in the navy -- and entered in the service in 1942 I guess. I stayed in the service going overseas, and I got out four years later in 1946. If I had to do it again I would of stayed in the navy, all the benefit and everything are so great. Then I went back to work in the store, you automatically got your same job back, once you got back. Is this too long?

KC No. Did you have a management degree from college?

JM No I just had a degree, Lord knows what it was in, it was just a degree. In the navy I had an incredible experience, I got to be an executive officer of a combat aircraft service unit, and we were overseas, well I was overseas all the time except three months that I spent in Pensacola, of course I was always in the Islands, little Islands; Tarawa,____, Eniwetok, the squadron was flying to look for submarines. And it was very boring and I was out there too long. I came back and went to work for the store. Went back to the appliance department and I didn't know that the change in pay was so great -- since I'd been gone they changed the pay. Anyway I guess I went to work back in the appliance department, selling appliances. And I did that for oh gosh until the summer of '49 or '48 (I may not be right on these dates.) Then Mr. Mcleod came over and he said I think I need an assistant. I said well that's great I'd be glad to do that. And I became assistant to the president. I kept that job and they made me vice-president in 1949. and I stayed that way until 1959 when Allied bought it. Of course when Allied bought the store none of us knew whether we were going to have a job or not. So I went to Seattle and was interviewed by one of the vice-presidents of Allied Store Corporation, and he asked me what we could do in so far as volume and profits were concerned and I took a wild guess, told him, and it turned out to be right, it wasn't too wild a guess, I had a pretty good idea of what we could do. When Allied bought it they didn't buy the wholesale end of the business. The wholesale end of the business was always an argument with Mr. Mcleod. He figured the money was made there, and not in the retail. Well we soon found-out that the retail end of business was making the money and the wholesale wasn't. We had a funny experience, we had a wholesale grocery in Kalispell that did
about $4.5 million and made $40,000 net profit after taxes, we had a wholesale grocery here in Missoula doing about the same volume and the most profit we ever made was $16,000. The manager in Kalispell, in my estimation, he got his house free, all of his cigars free, his groceries free, and he still made money. And, I think he was a bit crooked. He was furnished a car, just like the manager down here was furnished one, the fellow down here was honest as the day is long and was respected and was a great guy. At one time, Missoula Mercantile Company was a very powerful political [force] in politics, all sub rosa. We kept money under the counter, kept it in the vault, and we were giving politicians and stuff handouts. One time we had 750 employees -- we had the retail store here, the wholesale hardware here, wholesale grocery in Kalispell, one in Missoula, a retail store in Kalispell, eleven grain elevators... people only paid their bills, many years ago, twice a year, especially the farmers and ranchers, and we had helped a lot of them out because they were having hard times way back when you know. They were having real tough times and we lent money out, some of the ranches couldn't pay. One time we had to take over -- we owned 16 ranches -- because we had to foreclose if we get the money. At one time a lot of people -- the town doesn't know all the things that went on -- an example, I don't know this shouldn't be repeated probably, I suppose it happened years ago. The Lambros brothers, Pete and Jocko, were $100,000 in the bucket $100,000. You know they're rich as all outside today but then they didn't have any money. We were also interested in the Hammond Lumber Company in San Francisco. At one time they were about to go broke and they borrowed a half million dollars from us, and many years later they were successful and they soldout for $95 million. Mr. Mcleod had some (I don't know whether I should tell this or not) but Mr. Mcleod and Mrs. Mcleod had some stock in Hammond Lumber Company I think they paid maybe $5,000 or $6,000 for that. I'm not sure I could be wrong on that figure. But when they sold the Hammond Lumber Company in the settlement they got... he got a million dollars, and Mrs. Mcleod got $238,000 and Mr. Mcleod was very upset because he had to pay the capital gains and all [he got was what] she got on the money they received, and he was crying. I said well I'd trade $238,000 for a million anytime and if I were you I would take a cruise and go on a trip around the world and have fun. I'm talking about Walter Mcleod now (before I was talking about Mr. Senior Mcleod,) Walter Mcleod was my boss and he took over the business when Mr. C.H. Mcleod died and at that time Walter Mcleod was 55 years of age and never worked a day in his life really. You know he entertained people.

KC Didn't know much about the business?

JM No, he entertained people, he did a beautiful job. He was a handsome man, and everybody liked him, but when it came to business he was very impractical. It's his father's fault, his father did everything, you know he did it. And so that's why I was his assistant. I'm not regressing again..... I not talking since Allied. So when Allied interviewed me I was pretty scared that I wouldn't have a job, because I had worked for Mcleod for
20 years. And there were no benefits, no insurance, had a hospital plan but no pension plan, nothing, only promises. And I was very apprehensive if I would be hired by Allied. Well luckily I survived their interview and was hired by them, I forget how much pay, but a substantial increase in pay of what I was getting. And after I joined Allied, what I had predicted, so far as profits were concerned happened to be right. I was lucky. It was a growing time from '59 to '79 or '75, volume increased in the retail store. But we had to combine companies -- all of the companies together. Under the old regime where I said they had 750 employees, we were doing about $22 million worth of business. That was in dollars that meant something. Today it would be $50 million at least. We had... go back to the 50s... years before Allied bought it, some of the interesting things, we had a fleet of 58 automobiles and trucks. We had two mechanics in the garage, a garage of our own, two full-time mechanics and sometimes we'd hire another one. We had four credit men, and we didn't need four credit men I always argued about that -- they would have to work harder but we could have got by with two. When Allied took over we ended up with one credit man. And the same ones that Mr. Schlesinger was... this was the first purchase that he had made since he was president of Allied Stores Corporation, and he wanted very much to reverse the trend that always happened at Allied -- that every time they bought a store, (Allied didn't build their own store in those days they bought them,) and they'd try to buy the dominant store in each community or a community that they were going to. The dominant store is one that, just like it says, is dominant in the community. But every time they bought a store, in many places, the volume would drop. They wouldn't necessarily lose money, but the volume would go to hell, excuse my language. But he was determined that neither would happen here. And I said, "Nope." As far as I was concerned, the only thing that they made changes in Allied was that every store had to have the same accounting procedure so that they could compare account #400 and account #400 in any store of 110 stores, so they could make a comparison, which is good. But we kept our own buyers and had complete autonomy within the local unit.(?) The only thing you were obliged to do was to conform to their accounting practices and live within a budget plan that you would submit to Allied both on expenses and on sales.

KC: Do you think that's better?

JM: Oh, yeah. And it was very good in the fact that it made you do a lot of planning, a lot of thinking. People say you can't make a budget, you can. We had a budget with the old company but Mr. Mcleod was always exceeding it by one thing or another. We would make an expense plan and also a sales plan for each six months period -- spring season and fall season -- to project our volume and to project our expenses. We would have a meeting of all of our group managers that were in these stores, that is, Ogden, Boise, Yakima, and Great Falls, (there were quite a few of us, quite a few stores.) Then we would all sit around and compare notes. How much does a marking room cost you, and how much does this cost you, and how many credit men do you have,
and what is your selling expense -- everything. Then after you haggled there for about two days, sweating blood, at these meetings, then they would come around later, or sometimes right at the meetings, to approve your expense plan. Your expense plan was very detailed. You had to figure out how many hours each person was going to work, how much you were going to pay them and get the expenses, which is good business. And then at each month, month end, you knew what your expenses were, and if your expenses exceeded your expense plan, (I forget what the figure was, I think 3 per cent,) then you had to write, what we called an "alibi sheet" why. And it had to be in by the 10th of the month. You had to have your books closed three days -- three working days -- after your month ended; three working days, that's a hassle. You had to have an audited statement in ten days. Well we combined the two, I had a good controller. We combined the two, and figured that we could make an expense plan that would stand up under an audit the first time, and would eliminate doing it twice, and send it in. But the alibi sheet was funny, you see you had a budget of $6,000 per month for advertising and you have a tendency when you're trying to save money is to save it in advertising and your help. And both of them are very serious, you cut out your advertising and lose your business, you don't pay your crew you lose your business and you got two headed sword. I'm rambling here, I'm not thinking of anything interesting really. But Allied was very good to work for.

KC It sounds like managing under Allied was much easier?

JM Under the old company I really had about four bosses, Mr. Mcleod, his daughter Olive, his son Bud or Mack, and then there was also Mr. Mcleod's sister Mrs. Richards who lived here. And the family was notorious for having not family "feuds" but family "differences," and I seemed to be always in the middle. It was really quite rough. Mr. Mcleod's son, Mack, was very, very well educated, best vocabulary I've ever heard, He should have been a philosopher. He really should have a degree in philosophy, he should have been a philosopher. When they put him in Kalispell managing the store up there and the store in Kalispell did about 1.2 million, 1.3 million and made $100,000 every year.

KC Very good.

JM Yeah. Mr. Mcleod wanted to give his son a job. So we sent his son up there and I was his son's boss. That's bad... it doesn't work. Well anyway, we went in two years from $100,000 profit to $20,000 loss. So I was supposed to go up and fire him.

KC Fire his son?

JM Right. Which I refused to do. It's your son and I don't want to get into this. I said your son is mad because he's not got my job. I said if you want to give him my job, give it to him, but let me know so I can go find another job. But I had had several offers. This is back before Allied bought it. So, When we sent
the son up there, (he was a good friend of mine too,) we did it in February, we sent him up there, told him we'll help you, we'll do everything we can to help you, and if you're successful you can have all of the credit, and if you're unsuccessful you can blame us. That was Kenny _(?)_ you can blame us, but just...would you do what we say then you'll be all right, but he disregarded our advise entirely, he said, "I'll run the store, I'll run the store." So he did. We went from a $100,000 profit to a $20,000 loss in a few years.

JM Well then we took the store back over, control of the store back. I don't know whether Bud left or went some place. Anyway between January 10th, which was our year-end date, and August the 10th we had saved $62,000 in expenses...$62,000. It wasn't hard to do. It was just amazing. We had a hardware manager up there that wanted to go on vacation, so Bud Mcleod said, "Well why don't you take a boat out of hardware... and a motor... and a trailer?"

JM So, the fellow said, "Well that's pretty good." The manager took that boat, motor and trailer, went to Canada and then he preceded to get lost. So Mr. Mcleod Jr, or Mack Mcleod went out and hired an airplane with a pilot, for $2,500 to go and search for him. That's a nice gesture, but it isn't our fault he got lost. Anyway he went and hired this airplane and found the bird in Canada. By this time it was a used boat, and a used motor, used trailer, and I thing he had to discount it about 40% in order to sell it afterwards. But that's one of the funny things that happened when you're... you're too little you know. It's a nice gesture and that's fine and dandy, but when you hire an airplane to go and find your own boat and motors and....

KC You mentioned the Mcleod's had a lot of property around, and that Mercantile employees took care of the property.

JM We had South Missoula Land Company, which owned practically all of the land from around... I'm trying to think of the street... there was a mill down here... I can't think of it. Well it's about two blocks north of Parker Avenue going south. We owned all that land clear across South Avenue and beyond. Now they decided to sell the lots off. They sold corner lots for $300, inside lots we sold for $200. Where were we? What were we talking about?

KC The Land Company?

JM Oh, the Land Company. That gives you an idea what lots are worth today, you know a lot... what are lots worth around town now? $3,000, $4,000, $10,000, well_ $10,000. And we sold all these lots off where the Missoula Mercantile owned this land on the south side, I don't know how many lots we had, we sold the
inside lots for $200 and the outside lots, corner lots, for $300. Hell of a price! And we got rid of all those. We had a chance to buy the (?), (which was the KGVO building back of the alley across from [or] between the Firestone Store and the...[remember it was the] Rosanne Building... all of that property for $6,000. They turned it down, because they didn't see any use for it. Those were the days when Mr. Mcleod was funny in that he would get upset or nervous when the bank balance dropped under $500,000, get down to $380,000 he'd call New York Guaranteed Trust and borrow $100,000 or something like that, over the phone. Of course the interest rate was 3%. When we had the old companies we carried a lot of stock, there was about $2 million worth of hardware, about $700,000 worth of groceries -- that's a lot of groceries. I don't know if many people do it any more, but the grocery people would come and get our order a year ahead of time or six months ahead of time, so that they could take that money, that order, to the bank and borrow money and then they would lend it out to the growers so they could put in the tomato crops and stuff like that. And that's it, it was quite a deal. We use to lend (in the old company) all kinds of money. Lots of time the banks... a lot of the old timers around here didn't, couldn't, or seemed not to like to go to the banks. Maybe some of them got turned down at the banks, and Mr. Mcleod would say, (the old man T.H. we'd call him,) "oh give them the money, give them the money."

KC And you usually got it back?

JM Yeah, usually got paid, he'd take a flier. Man he was very, very crisp in his speech, and I was sitting there one day, and he hit me with his cane. I was sitting down and he hit me with his cane. "Get up, god damn it! You made more money then I made last month. Get off your hind end!" [laughter] I'd get a big kick out of that, I said, "well Mr. Mcleod, if you just sold enough appliances you'd have made that kind of money." He laughed. He was a nice guy, great guy.

KC Sounds like it. You mentioned there was a grocery store, hardware department and an appliance department, how come the Merc. did away with those?

JM Well, the ah...when Allied took over they ah... appliance department used to be very, not very profitable, but was profitable, and it was across the street from the main store and we had a lot of space, and we also rented that building that the bank bought from Mrs. Howard. We rented that building for years and years and years, and we had a furniture department there. We rented, actually we should have bought, but they had a great thing about having cash on hand. I said, "Mr. Mcleod, it's silly to have 1/2 million dollars in the bank and our bills would run $200,000 to $300,000. In three or four more days we would have money back. It was silly to borrow that much to have that much money laying around the bank. Even at 3% $500,000 is $15,000 you're throwing away." When Allied took over why... when Allied bought the store, (I'm jumping around a lot, maybe this is not
what you want)...  

KC That's fine.

JM When Allied bought the store they bought the land, the property and the inventory for $1,056,000. They never once had less than a 30% return on the original purchase in all the time I worked there. With eight stores, our volume grew... we used to make here 40% of the profit for the whole group, and that's how profitable the store was. I mean not as I was achieving this all, but it was because we had the right combination of people, and we had good buyers and good salespeople to live by. It remained that way until about a year or so before I retired, I was going to work until I was 70, but Allied consolidated everything with the Seattle group and put it under one management. Nobody got canned over here at all, but all the buying was done then in Seattle, (Seattle buyers, some were real good and some were real bad,) but it was at that time the Seattle group was doing about $350 million worth of business. When you're doing $5.5 or $6 million, that's about 1.5% of the total business, and you get about 1.5% of the attention. The fall season we always got our women's coats in beginning in August, but our peak would be in September 1st to 10th, and we would always have at least 300, 250 minimum, usually around 300 [interruption] Anyway, policy changes weren't very evident at that time and I could see the handwriting on the wall that all they needed over here as far as managers were concerned was a personnel director or a fellow to keep the toilets clean. So, this is an example of about the coats, we had... I think September 10th we had 11 or 12 women's coats in stock, so I called Seattle, "Oh yes we will have your coats there next week." Well the first shipment of coats I got was four. I called again and said, "We are scheduled to do a $100,000 in coats in the fall season and I can't do it on 14 coats, even if they're gold lined." They sent a few more coats, and I gave up after four or five calls. Our sportswear department was (sportswear ladies ready to wear department) was $400,000 understocked now. Well it was also the same time the mall [Southgate Mall] was beginning to open. Well it was suicide, volume went from $5.9 million to $2.4 million, profit went, I think, from $500,000 to -$200,000.  

KC What did you do to try and compensate?  

JM Of course in 1979 I left or '78, I was 65. I said, "I can't take it, I wanted to work and I was in good health and shape and I needed to work, but I can't take the frustration." We'd send our accounts receivable to Seattle, they were going to handle them over there, and we had 15,000 accounts. Some where along the line, in Seattle, they lost the case history on all the accounts, -- that is every account has a file on where they work and their jobs and whether they pay their bills and all that -- and they lost, but they never told anybody. So they set up everybody on their list with a $100 limit, and that was chaos, I had people six and seven deep talking to our credit people, sometime 12 people, and they were mad, irate, because they'd got a passed due bill and they had been trading for 30 years, and hell they'd
spend $300 in an afternoon, then they would get a dun from Allied
you haven't paid your bill. So, I went to Seattle, got in with
the head credit man and he sent a man over, and we went through
the accounts one by one to see if we couldn't resuscitate some
history. Of course I don't know 15,000 people, you know, their
history. We calmed them down, but many, many, many people came up
and cut the cards in two in front of us, called us names --
people who'd been trading there for 40 years and then they do a
thing like that. It cost us just tons of business, just tons of
business. Nothing you could do about them. Some girl apparently,
or man -- somebody lost the records. That's one of the hazards
of business. Allied was very sorry about it, but that doesn't
comfort anything. It made it an awful tough job for our people
here the credit people took an awful licking. I took an awful
tongue lashing from many, many customers; they'd call me at home
at night and write me nasty letters -- "I didn't think you could
do this to me," when that happened. Then they finally
admitted, in Seattle, that they had lost them [the records]. If
they had told us we could have run an ad in the paper saying,"In
transferring your accounts to Seattle we lost your case history.
Please bear with us. We may have some troubles." but no they
didn't say a word and I was oblivious to what had happened. I was
real frustrated. The fact is I... I always was called a maverick,
because I was stubborn I guess, whatever independent, but when
your store is making money and you're in a good job, your store
is doing a good job, they say leave it alone. Mr. Schlesinger in
one of his letters said don't even change anything but the light
bulb. We had a strike once, it started out in wholesale grocery
and lasted a year and a day. (Are we about done?)

KC No, it's fine I was just checking.

JM A year and a day. and we got so that we would ___ they were
picketing the store, the retail store, which really wasn't right
they should be picketing the warehouse, where the groceries were,
it wasn't in the retail trade. We weren't unionized; the
warehouse was. They had really no right to picket the retail
store, but they did, which I thought was illegal. But we tried to
make peace with them. We couldn't, so we let them picket, and
they picketed us for a year and a day. It cost them $20 million.
Didn't hurt us much -- we had a few contractors, a few union
shops, that wouldn't take our merchandize, but--

KC Why were they striking?

JM Well they were striking for more pay at the warehouse. We
thought they were adequately paid, we'd pay them what we thought
was adequate, I don't know. You know, you never can satisfy them.
In 1975, we were under Allied, and Allied had a policy to be
competitive in Penneys, Wards, Sears, K-mart, anywhere else in
like type business. We had a duty to check every year, at least
six establishments that were similar in operation to ours, and to
compare wage scales. When we got a couple of girls working for
us, we called them _(?)_ girls, you know, do gooders. One was...
one who I hired because her father was a friend of mine, real
good friend of mine, so I hired her. So she and this other girl
got the unions on us; they didn't like me for some reason and got
the unions on us. It was really a tough battle, and it came to a
vote and the vote turned out, luckily, two to one against the
union. And so far they haven't had any more trouble since then.
We had... first cost us lots of money, and we got some get
personnel dealings, which you don't get at unfair labor
practices, and you got a union to deal with and when you're
dealing with them you've got to be very careful. So we have...
Allied has a labor attorney on their staff, and he'd fly out on
Monday and stay through Friday and fly back, and advise me and
advise us on what we'd do and how... which was a great help --
great help.

KC You didn't have much problems then?

JM No, it took a long time, we had to do... be very careful,
and we wrote many papers, had many speeches and many meetings and
unions had many meetings, out of the store__. So, they
finally came to a vote, they set up a date for the vote, and the
vote was two to one against the union, and we were very delighted
about that, I suppose there well be some union person read this.
Are you asking questions? I'm talking too much.

KC It sounds like in the 40' and 50's, that the Mercantile was
THE store in town, that everybody shopped there. Bought
everything -- groceries, appliances, clothing.

JM You could buy most anything from natural grease to _(?)._.

KC Is that right?

JM You know, we... oh hell you could buy most anything, we had
the best hardware department, in so far as stock is concerned, in
the state of Montana. But it was too good, it was too expensive,
you couldn't go down there and not... very seldom, very seldom
did you not find what you were looking for. In so doing that you
become very top heavy in so far as volume is concerned, your
stock of inventory naturally grows. The next person comes in
wants this and that's why you stock that -- next person something
else, and pretty soon it's out of hand. Like we had a foundation
department, for example, where we carried $25,000 worth of stock,
and we did a $110,000 worth of business. The Ogden store carried
$35,000 worth of inventory and did the exact same volume as we
did. But we had a good *corsets here and good people and good
foundation people, and we kept... we had a rule, there was always
a new line or a new bra or new girdle, at that time, or a new
slip comes out... we made a rule that [if] you add a line you
drop a line, you see, throw one away [or] drop one [if] you're
going to pick up another one. You could control your stock. If
you don't it just balloons. Your salespeople always want
everything, and if you don't watch them you'll be in pretty poor
and no money in the bank and just lots of inventory. What else?

KC The original Mercantile was it smaller or larger then the
Bon is now, or was it... I mean physical set up.
JM Identically the same.
KC Exactly the same.
JM As I said before when we operated, we had the furniture department across the street in the Howard building, and the appliance department was over there. We had an implement department that was down on Front Street, where the Front Street Theater is, and at one time where the Elks building is, we use to have farm implements in there, and big tractors and graders and whatever, manure spreaders, whatever you can think of we had. Then we finally got out of that, we were also the International Harvester dealer.
KC Into everything.
JM Oh, into everything. The grain elevators were some profitable and some very unprofitable. We use to buy binding twine from Europe, all binding twine comes from Africa, I don't know it does anymore -- it came from Africa. We'd have to give an order three and four months ahead, maybe longer, and the price of binding twine, which we sold by the car load, has a very fluctuating price, and sometimes we'd lose $5,000 on it while it was on the boat coming across the ocean. The price would change that much between the time we'd get it, sometimes we'd make $5,000. There's many times we'd lose $5,000. I said at the beginning that Mr. Mcleod and the company was very much into politics, not publicly, but supported many people with many causes and gave the money to support your campaign. Just the same thing as...
KC Under the table or legally?
JM Under the table.
KC Oh.
JM It was legal I guess, but you didn't have to report your contributions than. But they didn't want it known that they were supporting so-and-so for Governor, or so-and-so for legislature, so they'd give them money to help them. And of course the Anaconda Company and Mr. Mcleod and all those people were friends. What they contributed to the... some of these physical campaign was fantastic, fantastic. You know it wasn't just a couple hundred dollars, it was tens and fifteen of thousands of dollars.
KC They didn't care that you knew about it, at all or the other people?
JM No, I knew about it, but I didn't... you know, you work for a company you work for a company, you don't tell everybody, that they contribute. Some of it was done sub rosa. They'd go to these
little legislatures and some of the hotel rooms they'd throw the money over the transom. [laughter] That's so they couldn't identify them. We always had a slush fund in the safe... in the vault, (we had a vault,) we had the slush fund in there, that's probably done a lot of things out of school. It would have a minimum $10,000 up to $30,000 cash in that fund. It was in a separate box in the drawer in the safe -- in the vault. When so and so needed a little contribution for something, why Mr. Mcleod or Mr. Bunge or one of us would go in and while the other one was watching and get -- Mr. Mcleod was the one who controlled that.

Side two

So it was an expensive donation, it would have been better to have given the money directly then to try to hire these guys. I think we had seven football players working at one time, Kermit Schwanki was always handling the money under his desk, [to] help them out with tuition or pay or whatever. The University is a integral part of this community, and so are we, so we felt that if you can't support the University you're not very good. We did contribute. If you moved... if you had a town the size of Havre in the center of your town, and moved it out, that's what you would be doing if you eliminated the University. There're about as many people in Havre, as there are in the University. So, the Mcleod's were very supportive, especially the old man, of local projects. I forgot to say we owned the hotel, too, I forgot about that. We owned the Florence hotel.

KC Oh, the Florence?

JM We owned that, I forgot about that. Along with the grain elevators, and ... At one time we had, we had a full-time, what they call a freight man. O.C. Garlington, Jim Garlingtons father, was our fulltime freight man. He was an authority on rates, absolute authority. The NP people would check with him on certain things, because he knew what the tariffs were and what the rates were better then some of the people that worked over at the Northern Pacific. He would save us enough every year to pay his salary. You know, he would tell you how to route stuff, you'd call him up "O.C. how do you get this cargo, cargo of stuff from Louisiana? What do you do?" In ten minutes he'd tell you, so and so and switch to such and such, and you would get the best rate. If you didn't you know they would send it from New Orleans to New York to Mexico and back up here. You got to watch them.[laughter] He was very good about that. Two lawyers, a freight man, Ty [R.H.] Robinson was one of my lawyers, he was a young fellow at that time, and George Shepard, just about had to have lawyers because... we only paid retainer fees to Mr. Murphy's law firm. O.C. Garlingtons son Jim Garlington, worked for Mr. Murphy. We had two of our own attorneys yet we paid retainer fees to another concern. I think it was a little bit of wasted money,[laughter] but that's the way they did things in those days. It was quite ...It was very exciting, you never knew whether you'd have a job the next day or not, because of the family was going to get in on it and get you out. One thing about
Allied, they were tough, they were strict, they'd have a meeting in New York or San Francisco or wherever they were going to have a meeting, and we'd have big meetings -- they'd bring all of the managers from all store in the country -- and at that time there were 120 store, and all of the bigger stores would bring in two or three people with them. So it was costing Allied tons and tons of money to have these meetings. They'd have them twice a year in New York -- usually in New York -- because they had the facilities. It was... I can't imagine what the cost would be, it was just absolutely unbelievable. That was when Mr. Schlesinger was there -- he was the president of Allied. Then when Mr. Mascioci took it over -- was elected president of the company -- why they made quite a few cost reductions, which were all logical. [They] cut out those damn meetings and the cost... thousands of thousands of dollars. They'd have a trade fair in one of the hotels and I'd tell you they would have exhibits of every department, every type of merchandise you had from ladies dresses, coats, hardware, appliances, TV's... if you ever watched them load and unload things in front of the hotel in a big city, it's fantastic, it's just a major operation. I relate it to .... I worked for Dayton Company on a training program in 1949. Dayton Company is in Minneapolis and it had at that time, (I just relate this in volume to give you a comparison,) we had one alley at our place [Mercantile] and our people were... truckers were always griping about not being able to get into the alley to unload. When I was back at Dayton they had one alley the same way. They were doing $92 million worth of business and we were doing $4 million, and they were doing it with one alley the same as ours. But it was the case of organization. They had people on the dock and elevators, but the trucks would be lining up ten deep down the alley, waiting their turn to get in. That's all relative. Now what do you want to know?

KC You mentioned at one time that the mercantile cashed a lot of personnel checks.

JM Oh yeah, we would every Saturday, Friday, we'd go to the bank to get extra money, usually, depending on how much we had in the cash drawer. We'd get an additional $20-30,000 on each weekend so that we could carry people over. We had a line of people, we didn't charge them, and we got very few bad checks. We would get stuck a couple of times. We got stuck for two in one day from tree farmers -- payroll checks -- $350 the checks were. Nobody looked at the check. They were payroll checks, but it had the same number, both checks had the same number, we got stuck with two of them. In Kalispell, I was sitting in the office of Kalispell and the banker came in who we banked with in Kalispell, he said "There's a fellow around cashing bad checks." He said, "They're in the denominations of around $700." I said, "We appreciate that very much and so will Mr. Mcleod. "He went back to the bank and the phone rang and he said, "While I was at your store telling you about it, my teller cashed a $700 bad check."(Laughter) He was laughing, he couldn't get over that, he said while I'm over telling you and one of my crew cashed one while I'm gone. That was a funny thing.
KC Yeah.

JM You always have the bad check showup. Most of them showup just before closing time or on Friday night. It's surprising. We used to cash a ton of checks. We'd get to know people, we get to know people, then I guess you get used to trusting them. We had one cashier, (I probably shouldn't mention but she's so long since dead so I guess it won't hurt,) one cashier that never wanted to take a vacation, just wouldn't take a vacation, but she had an alcoholic mother, and she was supporting her alcoholic mother. Gertrude McCall was going to go to New York and she needed money for her trip, so I made out a voucher and took it over to this cashier and tried to get the money. She wouldn't give it to me. She said, "How do I know that's Gertrude signature?" "Well," I said, "Go and ask Gertrude I don't care. But she's in a hurry. She's catching a train at three o'clock and it's about two now, I need the money." [She] won't do it. Of course I hit the ceiling, got mad, and everything else. So, about two or three weeks later, our controller is always supposed to count the money that's in the vault, at known intervals. You see, they show $7,000 in the vault, I want to be sure that there's $7,000 in the vault. But the controller wasn't counting the money in the vault. So, they did count the money, found out they were $19,000 short. She had the most complicated system — they call kiting or whatever it is, system. She had a very intricate system she was using and that's why she didn't want to take a vacation. Anyway, she had an old adding machine that she could lay the carriage back on... those old adding machines did that, it wouldn't print. It would work the figures on the inside of the machine but wouldn't print on the printer. She had a way of doing it, I don't know, it was too complicate. The controller and myself studied that for weeks afterward trying to figure out how she did it. We never did figure out how. If she'd have put that brain power to work she'd have been a genius. What started it is that her mother required a quart of whiskey a day. And that's the only way she was getting the money to provide her mother with booze.

KC What ever became of her?

JM Oh, we canned her of course.

KC That's all?

JM That's all. We should have turned her over to the authorities, but she's got an invalid mother, practically, she had no money herself, her husband had divorced her, and ah... a good worker, but too good, but she, as near as we could tell, she stole $19,000. Of course she admitted it after we caught her. We had one other, one boy worked on the hardware, upstairs, in a remote area, and he had a... played the pinball machines and he got to be a fanatic and he was stealing money when he was alone. And we caught him. He had also stolen some $23,000. Naturally we let him go.
KC You didn't prosecute?

JM No, we didn't prosecute him either. We should have. But we got a promissory note out of him that he would pay $50 a month until the bill was paid. And he paid, I think, for, as far as I know, every month for seven years, which didn't pay the bill, but at least it... we felt that he had done a good turn there. I remember the day that we caught him and he left. His wife called me up and said, "I have not got enough money to buy groceries. I have two little kids and no money. Can you help me out?" We had to give him money to buy groceries, after he stole $23,000. He'd spent it all on pinball machines. Crazy. That isn't very interesting about the store, but it...

KC That's very interesting.

JM Gives you a little... we had one fellow that we caught stealing. He'd only taken five dollars. His mother was a divorcée that came from Thompson Falls, and he badly needed the job. So, I gave him the $6.00 lecture and canned him because we had a policy that [if] you catch anybody stealing... we had six people working for us at one time who we had caught stealing. Then we got to worrying about it afterwards. We weren't running a rehab center and we weren't getting much discipline in catching these people if we didn't can them. Before that we caught these, I think they were all women, yeah, and they all worked out very well for us, appreciated the chance, and all worked out very well. But on this one kid that I canned, his mother was a divorcée and broke. About three years later I got a letter from him. He was in the penitentiary and he was just giving me hell because I hadn't prosecuted him -- I hadn't really impressed on him enough and he finally ended up in Deer Lodge and it was my fault.[laughter] I thought well, there I go, there I go, it's hell if you do hell if you don't. You try to be a good guy and get slapped in the face, because of your heart ruling your head, then you get a letter from the penitentiary and after that I kept the letter for so long I showed it to all kinds of people that we caught stealing. We had one man, good looking fellow, handsome as all outside and smart, working down in our appliance basement. He was alone a lot. Then the cash register kept getting short. So, what we did, we marked some money, and the cash register was short again. So I called him up into the office, I said, (I forget what his name was,) "You _____ enough to shorty's down here in the department all the gosh darn time and I can't -- it looks kind of bad." He said, "I only got fifteen dollars on me, I'll show it to you." He showed me the fifteen dollars, a five and ten dollar bill and they were both bills we had planted in there.

KC Oh no.

JM I said, "Yes it sure is... it's sure good... you are the best goddamn liar I've ever seen in my life. You look me right straight in the eye and said you only got fifteen dollars and you showed it to me and it's the two bills that we planted and you
stole those!" Anyway I fired him. He later called me from Los Angeles to thank me because he had a good job. I told him, I said, "Don't use me as a reference, because I will not lie on a reference. I won't tell people but I won't... if you use me as a reference and they call me and ask me about it, I'm going to tell the truth." So he called me up and said I appreciate what you did for me, I have a very good job, married a nice wife. And I'm grateful that he called, and I've had one thing I did right -- excuse me, I have one letter saying he's in the pen because you didn't do a good job, the next letter I get I did a good job. We always had -- women were the biggest -- I don't like to run women down, but in a store in which 85% of your help is women you're naturally going to catch more women stealing then you do men. But women would, we'd always have what we call interrogation... (We going to long?)

KC No.

JM ...interrogation. And we'd have the door open to go out through all the regular office. And women could look me in the eye for two hours... we knew they had stolen, (we never questioned anybody unless we were positive we had absolute proof.) They'd look you right in the eye and just, look you right in the eye and lie to you. Then about eight o'clock that night the phone would ring, "Jim could we, could my wife and I come over and see you?" It would be the husband of the gal. They'd come over. "Well Molly did it. She's breaking up in tears, but I want her to admit to you." I said, "Well we knew that we had proof, we wouldn't have questioned her if we didn't." Well she admitted to $1,500, she paid it back over a period of six months. We had these shoppers, security people, come in and do this. They always work on... not always... but you either pay them a flat fee and the good ones you split any recovery you get. If someone steals $3,000 and you recover $3,000, they get $1,500. We had a real tough one, fellow called Brad Milovich, I can remember his name. Most of your investigators won't go on one test, they'd have to have two tests; they'd got to catch the person twice. This guy had a theory, [if] they steal once they'll steal again, [so] I don't have to do it twice. And he... pretty near everyone of them would break down. We had a man in Kalispell at the grocery department, wholesale grocery, and he was doing what they call kiting accounts. He'd get money from A and pay B's bill, then he would get money from someone else and pay C's bills, until it was over complicated. Naturally the only way we found out about it, is people to whom we'd sent them second notice [that they] hadn't paid their bill, they'd call us up and say, "We paid our bill, we paid Joe, we gave him the money, I have a receipt here." So, we got wise, and we finally got this fellow in for questioning. He admitted it in five minutes. He was kiting $4,800 at the time. He said, "You give me ten minutes." I said, "Sure we'll give you that ten minutes, what do you want to do?" Thought he was going to leave town, but we knew him, knew where his house was and everything. So we said ten minutes. He went over to the bank got $4,800 and handed to us. He said, "Thank god you caught me, I'm getting so damn tired of doing this..."
I can't stand it."

KC Is that ...

JM He said, "I can't stand it, the nerve strain is getting me." It was complicated you know. You know you've got 50 accounts and you start paying this one with this fellow's money and the next one with this fellow's money it gets quite hairy.

KC Yeah, you got to be smart.

JM I hired an old friend of mine who was retired. I hired him myself. He owned, at that time I think, four or five ranches, but he wanted something to do -- he was bored. So I put him down in the men's department, he was always a good dresser, nice clean looking fellow. He was a good salesman. We had the checkers in, what we called security, and I'll be damned if he didn't show up twice! And of course we call him up in the office and he admitted it. I said, "Dale, I can't understand if you needed money -- you own four ranches or five, why are you stealing a dollar a day?" He said, "To pay for my lunch." (laughter)

KC Is that right?

JM I thought well, dang it, to pay for my lunch! What else?

KC I think you've answered all my questions either directly or indirectly.

JM I'm sorry.

KC No, that's great, it's been really interesting talking to you. Thank you.

End of tape