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JACOB POTOFSKY

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Interview with Jacob Potofsky by Elizabeth Balanoff	FOL10 HD
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Oral History Project

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Respondent: Jacob Potofsky

Interviewer: Elizabeth Balanoff

Date: August 4, 1970

- R. My name is Jacob Potofsky. I am President of the Amalgamated Clothing Workers of America.
- I. Now, why don't you tell me a little bit about your background?
 How old were you when you came to America, Mr. Potofsky?
- R. I was 11, 13 and 15 all in one year. How come, you ask?
- I. Right.
- Well, I was born in Radomysl. That's quite a substantial city R. in the state of Kiev. My brother, my eldest brother Nathan, had left Russia sometime in 1905. He was eligible for the draft and he wasn't so keen on going into the Czar's army for a six-year period. I recall as a kid hearing him discussing with my father the suggestion to go to America. So, he left, and because he was sort of avoiding the draft he had to cross the border unofficially, and he went into the United States. Chicago was the destination because there were some so called "lundsleite" who were there already, so that he had an address. And he was the first in our family to emigrate to the United States. A year later my father emigrated. The year following another elder brother, Felix, left. And finally, in 1908, the early part of June, my mother, two sisters, myself, and a younger brother left. But we went on an official passport and in that

passport I was listed as eleven years old. That was for the purpose of having a half a ticket. I was a little bit on the tall side, so when we came to the ticket office in Lebau my mother said to lower my head because she was afraid that I would be asked for a full ticket. At any rate, my real age was thirteen, because according to the Jewish tradition, I was Bar Mitzvah. And that you can only be when you are thirteen. When we arrived in Chicago in 1908 --I believe it was either the end of June or the beginning of July -and I went to work almost immediately at Dart, Schaffner and Marx. A landsman offered me a job for \$3.00 a week. And my assignment was to deliver bundles to him. He was a fast operator, a corner maker on pants. And he figured it would be a savings for him if someone would pick up the bundles and deliver them to his bench, and enter the lot number and the number of pants in that particular bundle. So I worked for a couple of months for this man who paid me \$3.00 a week which, of course, was turned over to the family, to my mother. When Labor Day came I entered public: school, Medill Public School. And on advice from my father, I had given my age as 15.9, so that when three months were up I could get working papers. I didn't have to have working papers during the summer; none of them were required because it was the vacation period. But in December, I got my working papers, and I went back to Hart, Schaffner and Marx, in Shop 14, this time getting \$5.00 a week for doing a similar job of being on the floor as a floor boy. In a couple of months, my foreman, who was a very nice man by the name of Homan, offered me

to become an operator. I thought it was a good idea, and he put me on rags for two weeks. I worked on these rags for two weeks to become proficient in operating the machine. After two weeks, I was put on piece work, making pockets, and I recall making the first week on piecework, \$7.21, I became a pocket maker. Later on I became more and more proficient and picked up speed, and I made as high as \$12.00 or \$13.00 a week without overtime. I continued in this way in the year 1908 and '09 and '10. I entered the Chicago Hebrew Institute and went to night school there under a teacher by the name of Miss Niederman and joined an educational club known as the Educational Club where my elder brother was already president of the club. We used to have weekly lectures on American history in the club, and some dances once in awhile, and so forth. It was an educational club. I didn't belong to anything else but the Chicago Hebrew Institute on Taylor Street. And along came 1910, when some people working for Hart, Schaffner and Marx were tired of the abuses that they were subjected to.

- I. What were some of the abuses?
- R. Well, they used to be charged, for instance, for an empty spool which was lost, they used to be charged sixty cents. Or, they used to be charged for breaking a needle. They used to fix their

prices, by the foremen. They were not participants, and the foreman was a real tyrant, because he was speed-up man for the company. He was the one who had the right to hire and fire and had tremendous power. And they changed the rates whenever they wanted. Everybody was working piecework, and it was a veritable United Nations because most of the people were from different parts of the world, I remember working right next to a girl who was a Bohemian girl, on one side; on the other side was a Polish girl; and opposite me was a girl working on a button hole machine. She was a Jewish girl. And again on the other side of me was an Italian. So we were a veritable United Nations, Well, one day, when they made a cut on some operation, fourteen girls working for Hart, Schaffner and Marx walked out. There was no organization. They didn't know where to go, and all I recall was that I heard about a meeting at the Hull House. It was in the month of September. Everybody was talking about this walkout that took place in one of the factories. I believe it was Shop 5 on Halsted Street. I went to that meeting at the Hull House. It was in a big hall and there must have been 500-600 people in there, I sat in the back and listened to what was going on. I looked around and there was one man who was another pocket maker, who was from the same shop that I was, Shop 14. All I knew is that the following morning I came in; I didn't go to my machine as usual but talked to as many people as we could. And I talked to this fellow, Dunn, who was on the

other side of the floor. There were about 300 people in our shop, and we didn't start to work. Instead we started to walk out. Immediately the foreman came to me and he said, "Jake, what's the matter with you? Why are you going? Did I mistreat you?" I said, "No, Mr. Homan, you are very nice to me. But I must go. I can't do anything else. I must leave. " Well, they shut the doors, They didn't let anybody go out. They tried to stop the walkout. But they just couldn't stop it because either by the elevator or the steps we found our way. We walked out in the open street, and then we inquired about where we are to We found out there was a meeting hall on Halsted Street near Harrison, so we aimed in that direction. There's where the pantsmakers established their headquarters, and there is where they met. Not far from us, about a block or a block and a half, was the Hod Carriers Hall where the Tailors were meeting, And to give you an idea as to the kind of people, the Polish would meet on the northwest side. The coatmakers was one large group and had a lot of Italians and Jews, and would meet in the Hod Carriers Hall. The cutters -- they were the aristocrats -met on Quincy Street. The cutters were the only people who really had a union before. There was a Local 21 and a Local 61 of the cutters, and they were the cream of the industry. Well, what I remember about that time was that a strike was under way. And 1 went once to a meeting at the Hod Carriers Hall which was nearby just to listen in. I found that there were people standing

on chairs and there was a lot of pandemonium. I made some inquiries as to what was going on, and I found out that there was some kind of settlement that was submitted, which the strikers didn't like. It called for those who were involved in arrests or those who were involved in any kind of illegal activities not to be hired back. And at that time picketing was illegal. The police were against it; the employers were regarded as holy. And injunctions -- there must have been some injunctions. At any rate, I found out later that Mr. Tom Richert, President of the United Garment Workers, came in and made a settlement. This is what was being discussed at the Hod Carriers Hall, the settlement that was made by Mr. Richert, that all the strikers were to go back to work, and that those who had any record of having been arrested were not to be taken back, and that any future grievances should be left to arbitration. The cutters had elected a committee to go and explain why the settlement was unacceptable, and in that committee was Sidney Hillman. Sidney Hillman had an accent; he was, by that time, about two or three years in the country. He was a cutter. He had previously worked at Sears, Roebuck as a shipping clerk, and then decided to go in and learn a trade, and he went to Hart, Schaffner and Marx. He worked three months for nothing to learn the trade, to become a cutter.

Potofsky (7)

The cutters were in the higher brackets, and because they had some antecedents about the unions, they had scales that went up to maybe \$21.00, I don't recall exactly. I'm going to suggest to you to talk to Mr. Frank Rosenblum, who was a cutter and who was working at Hart, Schaffner and Marx, and who was old enough to be secretary of the strike committee* I was a kid and I wasn't on any committee or anything, and all I know is just what I heard at that time and what I recall. I recall, for instance, one day going to 275 LaSalle Street and there we would get strike benefits of \$2.50 or something like that. When we came to 275 LaSalle Street, the doors were locked and there was nobody there. Then an announcement was made that the slips would be honored later, but we should go back to our headquarters. Well, those slips were never honored. And we found cut subsequently that the organization that was involved was the United Garment Workers who had the jurisdiction of clothing, and they came in to take over. But they weren't really keen about organizing the so-called immigrants. They were more interested in the aristocrats, in the cutters. At any rate, the strikers turned to John Fitzpatrick, who was President of the Chicago Federation of Labor, and Ed Nockels, Secretary of the Chicago Federation, in whom they found great friends. They were really concerned with the plight of the immigrant clothing workers, because this strike

that began at Dart, Schaffner and Marx was, of course, the biggest of them all. Hart, Schaffner and Marx was headed by a man by the name of Joseph Schaffner who was a very fine person. sitting in his big office on Franklin Street, and he really didn't like the idea that there were these abuses. He was the one who really wanted to have an early settlement; but, of course, he didn't believe in such a thing as a closed shop or anything of that sort. He was willing to leave it to arbitration. And of course he wouldn't hire anybody who had anything to do with violence or picketing or anything of that sort, I mean who were arrested at one time or another. So there was this provision in the temporary contract offer of a settlement that he made. But he was fair and he was willing to leave it to an outside party to decide, to rectify the conditions against which the strike had taken place. Well, when this offer was submitted to the strikers, it was rejected in one hall after another, because basically what they didn't like was this discrimination against the active people. There were so many of them and that would mean that they would become sort of leaderless. In one place after another it was being rejected. Well, there was pandemonium when the representatives of the United Garment Workers came to present the agreement in the Hod Carriers Hall. The Hod Carriers Hall was presided over by a fellow by the name of Anzuino D. Marimpietri who later became a vice-president of the Amalgamated Clothing Workers. And he announced "There is a committee from the cutters from downtown, and I want to present to you Sidney Hillman, one

of the members of the committee." Sidney Hillman started to speak in his broken English, but before long his voice had such an effect that those people who were standing on the chairs slipped down and sat down. He had an effect, "Let us analyze what is the situation; let's be calm; let's rationalize." And he then started to analyze the proposition and concluded that obviously we must reject it, and we do it in a nice way. The nice way was that the man who made the proposition had to run out from the back way in order to save himself from the ire of all the people about. At any rate, that first offer of an agreement was rejected. I recall that among the people who were active in that strike was Sidney Hillman, who became a recognized leader after this meeting at the Hod Carriers Hall as if he belonged to the Hod Carriers Hall. Another one who I made reference to was Anzuino D. Marimpietri who was a very good tailor. He worked in Hart, Schaffner and Marx, also on Halsted Street, in one of the quality shops. And, of course, there was Bessie Abramovitz, who later on married Sidney Hillman, but that was five years later. At that time Bessie was a leader. She was a leader in the strike. 'She was a member of the strike committee, and she became recognized by the Women's Trade Union League, under the leadership of Mrs. Raymond Robins, which had a group of women who were really interested in the strike and their cause. And they did a lot of things. As I recall, there was a woman by the name of Miss Anderson and Miss Johnson and a

Miss Stephagen. These were all people who were involved in the Women's Trade Union League in one capacity or another. One was the editor of a journal. One was collecting funds and relief for the strikers. They were very active. The Women's Trade Union League and the Chicago Federation of Labor were the most active people. On the side of the strikers, the only names that I can recall and give you were Sidney Hillman, Frank Rosenblum, who was secretary of the strike committee, whom I've already mentioned, Sam Levin, who was sort of a go-between for the Chicago Federation of Labor and the Women's Trade Union League. I mentioned Bessie Abramovitz, I was too young and too much of a kid to be involved in it. I recommend to you to talk to Frank Rosenblum who lives in Chicago. He's our general secretary-treasurer, and get his The strike was settled later on after a lapse recollections. I recall that of several weeks, maybe even a couple of months. I was supposed to return to work according to the agreement. There was a limit to what time we could return to work, and that limit was sometime in January. I know that my union book, which was from the United Garment Workers of America, and was in the Yiddish Language, is dated January 12, 1911. Of course, the book was issued after we returned to work and each one was assigned to the different locals. I was assigned to the Pantsmakers Local 144.

I returned to work and became the secretary of the shop. other words, my job was to collect dues from the people, collect the books and bring in. Later I became a local officer. The reason I became a local officer was because by that the my father owned his house on 1342 Washburn Ave. so that they could trust me with the treasury, which was all of 7 dollars and 25 cents, or something like that. Anyway, I became treasurer of the Local. I'd been active in the shop. Once, one of our operators was kind of sick, He's supposed to have had TB. They called him Siegel the Turk. This was about sometime between 1911 or 1912. I had known some people who could play the piano, so we arranged for a concert Workingmen's hall on Twelfth Street, and we sold tickets for 15 cents a ticket. Then we sold Coca Colas in the hall for those that would buy it for five cents. We sold tickets around the shop at noon, and so forth, and we raised \$50.00 and presented it to this fellow, Siegel the Turk. It was a contribution. Well, I was sort of active because I got the program together and helped to arrange this affair, so I became known in the shop. One day the shop chairman decided to resign, and there was a shop meeting held. Not everybody came to the meeting, but I was selected as the shop chairman. I was an operator

by that time. One day in July, 1913, I was coming to a meeting Of the Executive Board of which I was a member, and I heard that Frank Rosenblum, who was the business agent for my local, had resigned, In my local there were a lot of people who liked to make speeches but didn't pay their dues. one of them. But we had some leaders, a fellow by the name of He was a great orator and made hot speeches, but they were not in good standing. I was going at that time to a commercial night school to take up bookkeeping and penmanship, some college on Michigan Boulevard. This was sort of a night school, to learn penmanship and bookkeeping, double entry and so forth. So people knew that I was going to night school, and they thought that I could read and write, and as a temporary experiment, I would take the job as a sort of deputy to replace Frank Rosenblum, who was the business agent. 1 was sort of sponsored by A.D. Marimpietri, who was then president of the Coatmakers Local. My temporary assignment was to move Local 144 that had an office on Blue Island Avenue and Twelfth Street, to the Hod Carriers hall, where the Coatmakers had a local office, local 39, and to have the two locals merge under the leadership of Marimprietri who was at that time president of local 39 and the president of Hart, Schaffner and Marx Joint Board. The Dart, Schaffner and Marx Joint Board consisted of all the language

locals -- the Bohemians, the Lithuanians, the Polish, the Italians, all of them had separate locals. I came to this meeting of the Executive Board, and I was offered the job. I said, "I have to go and consult my father." I couldn't make the decision. I went home and asked my father, and he said I was old enough to make my own decision. So I went back, I had at that time a dream about becoming a hobo and seeing the country, and just that same day I had taken sort of a leave of absence from Factory J. By that time the pants shops had consolidated into a big factory, and it was known as Factory J. It was a big pants factory. It had several floors. Mr. Larson was the manager, and I was the shop chairman of my floor. I asked for a leave of absence, which I still have, which he granted me that I could come back at any time. And I was in this position -- 1 wanted to really take a vacation. I had already saved up \$150.00 with my father as the banker, and I thought I was going to go and see the country. And, lo and behold, here I was offered this I didn't feel that I was big enough to take the place of Frank Rosenblum because Frank was highly respected. He was from the cutters local, and he was a business agent, but he wouldn't take the criticism. Our boys in the pantsmakers local gave him a lot of trouble. He decided that he'd rather go back to the cutting table and he would have less trouble then. He recommended

me because I could read and write. There was really no justification for a separate local for the pantsmakers on Blue Island Avenue and Twelfth Street when you could merge with the coatmakers.

- I. Tell me about the language divisions.
- We were what you call a trade section. I mean we were making R. pants; all the pantsmakers were in one local. The coatmakers was a larger group, so they divided by nationality. The Polish were on the north side and they had a Polish local. The Bohemians were in the Sokol; they had a Sokol organization somewhere on the south side. They had a separate organization, and they were all hepped up about their organization. Later on we had nine different publications in nine different languages in order to really communicate with the different language groups. The Americanization process has gone forth, and it took a number of years, and now there is only one language paper with the exception that we have a Spanish section for the newly arrived Puerto Ricans, and so forth, And in Montreal we have a French paper. Otherwise we have only one official publication; but at that time, we had nine different papers.
- I. You mean articles were different as well as the language? I mean, they each put out their own completely separate paper?

No, no, no. The organization published the paper. But I'm kind of jumping ahead, because I have skipped quite a while. But I dealt mostly with the early period of 1910 to 1913. Well, to come back to that period, I was elected for a temporary makeshift to combine the two locals for the two months of July and August, and I accomplished my mission. And I went away for vacation before exercising my leave of absence and coming back to work. I went to the sand dunes for a vacation in Indiana. And while I was there I received a letter from A. D. Marimpietri again, that at the joint meeting of the Executive Board of Local 39, which is the coatmakers, and Local 144 pantsmakers, I was unanimously chosen to be the office manager, and I should come back immediately, whereupon I came back immediately and negotiated my permanent assignment as the office manager of Local 39 and 144. Then I was elected secretary of the Chicago Joint Board. purely to keep the minutes, and so forth. Then I began exercising my job as office manager. We had to collect the dues and enter the amount in day books, then enter it in the ledger, and then distribute the books to the different shops, receive the money in the evening when the shop chairman would come in with the And we union books because there was no check-off at that time.

had to do all the work. That was part of my assignment. My salary was fixed at \$15.00 a week. At this time I didn't protest. When they offered me first \$15.00 for the temporary job, I thought it was too high, and I said \$12.00 was enough. But when the permanent job came, it was a different story. I accepted the \$15.00, and I worked from morning 'til night because my job in the morning was to give jobs. Hart, Schaffner and Marx would send in requisitions, and I had to take care of the requisitions. In other words, instead of putting up a sign, "Wanted: pocketmaker" or a seamer or a presser, they would send the requisitions to the union, The union kept a list of all those who were unemployed, and it was my job to send them cards to come in, or call them up to come in. So the first thing I did when I came in at seven o'clock was to take care of the requisitions. Then do the bookkeeping, the entry of all the books that you've taken in the night before and you enter it in a day book. And then you'd have to post that into a ledger. Pretty soon I had a girl to help me in this job of bookkeeping, and later on I had another girl as we went along. This goes up to 1913 when I became the official secretary. From 1913 up until 1916, I was the secretary and office manager of the Coatmakers and secretary of the Joint Board. And I recall that we had a 1915 strike, which was lost. We had it for several months. I remember how Sidney Hillman had drawn up the demands with the help of W.O. Thompson, our attorney. Our biggest demand was a 48-hour week; we were for arbitration, willing to leave our demands to an impartial party. The employer said there was nothing to arbitrate. And no matter whether the appeal came from the city council or from any of the reputable citizens of Chicago, they paid no attention. They got an injunction. They had nothing to arbitrate, and this is it. Whatever they want to do, they'll do, And there's nobody going to advise them or tell them what to do.

- I. How long was your work week then?
- R. Well, originally, when it came down to the settlement of the Hart, Schaffner and Marx strike, we worked 54 hours. Now, when the strike was settled, the company agreed to a board of arbitration. The man who was selected to be an arbitrator was some professor of a university who happened to be sick. The union representative was Clarence Darrow; and the company representative was a lawyer for the company, a fellow by the name of Carl Meyer, from a reputable law firm. They got together with Sidney Hillman, who was elected business agent at \$10.00 a week right after we went back to work. We didn't let him go back to work. His salary was fixed also, but he was making \$12.00 a week when his salary was fixed. It didn't matter to him. But somebody had to follow through, so he was the one who was elected to

become sort of a business agent. Later on when each local had elected their own representatives, he became the chief clerk, and they became the business agents for their respective local unions -- the Lithuanians, the Poles, the Italians, and so forth. Well, when there was a conference between Clarence Darrow and Carl Meyer, there was the problem of the sick man from the university -- I forget his name. They said, "Well, why don't we proceed by ourselves and see whether we can come to an agreement?" And thereupon they asked Sam Levin and Sidney Hillman and Bessie to come forward and state what their grievances were. They sort of held court. They came out by April, 1911, with a decision of something like fourteen points which dealt with most of the problems which there were grievances and complaints originally. Well, in that decision which was really a sort of a fundamental agreement, the first agreement between Hart, Schaffner and Marx and its employees, the hours were reduced from 54 to 52. A minimum wage was set up, It was \$8.00 for the men and \$5.00 for the women. There were a number of other provisions, and that was really the first agreement in April. They found out that certain grievances took place, and those grievances were delayed; they weren't adjusted. There was all sorts of complaints and they came to the conclusion that they must have some kind of a court, some kind of a trade board to settle grievances on a daily basis. There was a man by the name of James Mullenbach who was

active in the 1910 strike as a social worker, and they elected him. He was chosen as the first chairman of the Trade Board, He was given an office in the company's building at Franklin and Monroe, and he was holding sort of court for the employees to bring their grievances for adjustment. Sidney Hillman worked out that whole scheme with the help of the Labor Department at that time, It was fully described in some Bulletin No. 198 of the Department of Labor. I don't recall the name of the man at that time who was very helpful in working out this method of handling grievances, of adjusting rates, and so forth, I believe it was Winslow, so that there was a permanent board to whom you could come. And the Trade Board also had five representatives from one side and five representatives from the other side, They found later that that was too cumbersome, so they reduced the number. But the union was always represented either by Sidney Hillman or Marimpietri, who was at that time President of the Joint Board and representative of the Coatmakers. And each of the locals had their representatives. They made it more feasible and practical. But even that had some misgivings, because there was sometimes when Mullenbach would make a decision and the company didn't like it. And they felt that there ought to be sort of an appeal, even from the fairness of this man. He was a sort of Lincolnesque character, and he was socially minded. He was one of the Jane Addams' types.

- I. Had he worked at Hull House?
- R. No. He was a social worker, and he helped the strikers in the commissary stores which were established in the strike to help

them get by. A lot of the women who were helpful from the Women's Trade Union League, some of the rich ladies from the South Side and other places, they raised money. Doctors gave services free during the strike, And the commissary stores were open for those in need so they didn't have to starve. And they would come, and James Mullenbach was one of the men who directed these activities so that the people wouldn't starve. The food was distributed to each family who was registered and was on the picket line. They punched his card, and he would be entitled once a week to get a package of food stuff, So that was during the strike. So Mullenbach was known. And Mullenbach was a fair man. Mullenbach was the first chairman of the Trade Board, and he built up the grievance machinery. were a lot of cases. He would hold hearings. Both sides stated their case, and then he would make a decision. Well, the company didn't like some of the decisions, and they wanted to have a higher court to appeal to. By that time the company had a vice-president assigned to labor management. I mean, they took a man from Northwestern University, Earl Dean Howard, and they made him a vice-president. He was in charge of the labor relations department and it was a genuine effort to make this agreement work. At that time not everybody was in the union. Along came the period of 1912, when the company was dissatisfied with the Trade Board, and they wanted to have an appeals board. They looked around and they found

in Streator, Illinois, a man by the name of John E. Williams, who was chosen as the chairman of the board of arbitration. words an appeal could be taken either by the union or by the company to the board of arbitration to Mr. Williams, from Mr. Mullenbach's decisions. This Mr. Williams was a great man. He really was a noble He was the head of the Cherry Mine Disaster Mission. Originally he was a miner. He was a philosopher, a music lover, and writer, There was a big disaster in the mines, and he was elected as the head of the mission to investigate. He was a sort of a philosopher type, and I suppose he was known to both sides. They looked him over, and they accepted him. He was a man with a nice little greying beard and a very humane sort of a gentleman. He wrote a column in the Streator, Illinois daily paper under the name of "Fancies of Fabius" and he would write his experiences with Sidney Hillman and Sam Levin and Bessie Abramovitz. To him it was a revelation what these people achieved. Here he met Russian immigrants, and he found them to be fascinating. And I believe that Sidney Hillman has learned more English from John E. Williams and Clarence Darrow and W. O. Thompson than he learned from any school. Williams would write in his paper that today he met Sidney Hillman, and he would give some of the arguments that Sidney Hillman used in the case that was before him, and he would describe a little bit about Sidney Hillman that you would get a portrait. Then he would describe Sam Levin, what kind of a type he was. And then he would describe Bessie Abramowitz. He was a fascinating man. I recall

one year, I believe it was 1912, receiving a little pamphlet from him for Christmas. And the pamphlet was entitled "The Passing of Bob." He had a collie dog, and he had a relationship with this collie like one human being to another. They used to go for walks, and the collie dog would run ahead. And one day the collie dog passed away. It was in memory of this relationship that he wrote this booklet. I recall that I was so entranced by that. He had a picture of himself and the dog at the end, that was pasted in. And the story was "The Passing of Bob, " and is still inscribed in my memory. It gave me a feeling about the man. He continued to be the impartial chairman of the board of arbitration. And he was the father of the preferential shop, because when the first agreement expired and the vote was taken and Sidney Hillman had the vote in his pocket, they decided to strike, What did they want? They wanted a closed shop that everybody should belong to the union. They had a hearing before the impartial chairman, and he sat there. On one side was Mr. Strauss, the vice-president of Hart, Schaffner and Marx and on the other side was Sidney Hillman. And he turned to Mr. Strauss. He says, "Would you want to see the union annihilated??' He said, "No, no, no. I'm for the union." And then he turned to Sidney Hillman. He says, "Would you want to see the company hurt or annihilated?" He said, "No, no. I want the company to thrive." He says, "In that case, why couldn't we, if you want the union to live, and you want the company to thrive, why couldn't we work out some modus operandi that should make the union strong and make the company satisfied? Now the union wants the closed shop. The company's totally opposed to it. Let's see whether we couldn't work out something that would be beneficial to the union, because if the union was to have some influence, it must have some power, must have some strength." And he continued arguing and developed the idea of preference. So in the 1912 agreement, instead of having a closed shop agreement, we had a whole complicated system. A was all union. Section B was union and non-union. Section C was all non-union. But it took time, of course. Little by little, we had enough complaints in the Section B to make them all union. And then the union has penetrated into Section. C. Little by little we picked up grievances and complaints and did something for the people in that section, to appreciate that the union is there to help them. So they signed up for the union, because everything was on a voluntary basis. There was no compulsion. There was no coercion of any kind, with the exception that you used your natural propaganda. They wanted to be shown what the union means, and the immigrants were no fools. Little by little we got a hundred percent union at Hart, Schaffner and Marx. And incidentally, there's been no strike since 1910 in hart, Schaffner and Marx. And they are here today. They work on a forty-hour week, employing today 4,000 people as against 8,000 people that they employed in 1910, And these 4,000 people incidentally are producing as many units working forty hours as against the 8,000 people who were working fifty-four hours and producing the same number

of units. So they did pretty well. The company's still the leading clothing company in America, as one of the great conglomerates, now having two hundred stores and employing more than 10,000 workers. It is interesting that this group of immigrants who came forth in the 1910 strike have built American institutions that will live for generations to come. This union was independent for twenty years, from 1914 to 1934, And during those years, it maintained its interest in the labor movement, so much so that in the 1919 strike of the Steelworkers which was headed by John Fitzpatrick, our union contributed \$100,000 to the strikers; and all we received was a receipt from the American Federation of Labor, not even a note of thanks. But we didn't mind that; we did it because we were interested in the labor movement. In 1933, when there were rumblings about politics, and F.D.R. came in at the height of the depression, we were not in such good shape at that time. This was the height of the depression. And this is only the first time I saw Sidney Hillman a little bit downhearted, because up to that point, the Amalgamated Clothing Workers had become a very potent factor, We had built up our wage structure to \$1.25 an hour when steelworkers were working for 76 cents an hour. We had already established the 44-hour week; and so we made our place in the industry. But in the Twenties we conceived the idea, and that was Sidney Hillman's thinking, that what was on a worker's mind was to have security, particularly security against unemployment. And we didn't have any unemployment insurance then. I think there was one state that was experimenting, and that was Wisconsin. In the early Twenties we had sent over Dr. Leo Wolman,

head of our research department to England to study the problem of unemployment, and he came back with a report. We started in the clothing industry, first in Chicago and then in New York and then in Rochester, an unemployment insurance fund, where the employers chipped in. Then in a slack period it was divided for the people who needed it. Out of that, later on, when unemployment insurance was introduced, came sort of a welfare program, which is now a big thing in the Amalgamated. We have medical centers in various places; and we have educational department programs and scholarship funds, and day care centers. It's a whole complex and a whole philosophy of what needs to be done in order to answer the question that Sidney Hillman asked, "What's on the worker's mind? What bothers him?" And what bothers him essentially is security, security against sickness and old age, security against unemployment, opportunity to give the answer to the problem. In the Twenties, after we already established our unemployment insurance fund, we conceived the idea -and the father of that scheme was a fellow by the name of Warren Stone from the Railroad Brotherhoods -- to go into labor banks. At one time there was a rash of labor banks to the tune of thirty-five of them. I believe by 1925 there was about that number of labor banks. We are the only bank that survived, with the exception of one other little bank, a small bank out in the middle west.

- I. Why do you think yours survived?
- R. Management. That's the answer. Anyway, in the Twenties, too, we established some credit unions. The idea was to help people borrow money so that they could, if they needed coal or they needed something else -- furniture -- they could borrow. They had their organization where they could save and they could borrow at a reasonable rate. And the credit unions were official at that time. I think the father of the credit union movement was a fellow by the name of Filene in Boston. At any rate, we started one of those credit unions. I was a member in one, the Amalgamated Credit Union. And we had a fellow by the name of Kazan who was running it. And he conceived the idea that maybe we ought to go into housing, too, because first he was buying coal to supply members so that they could buy coal wholesale. And so Sidney Hillman told him, "Go ahead and have a look. Look around." And he looked around. And then he came with a proposition to buy a certain piece of land in the Bronx which faced the reservoir on one side, Mosholu Parkway on the other and Van Cortlandt Park on the third, He said we could form a separate corporation, the A.C.W. Corporation and we got a lot of people who were interested in homes and so forth. At that time Sidney Hillman looked around the field and he said, "No, it's too early. We have to have a law that we can get mortgage money

at a reasonable rate. We ought to get some other inducements from the government because there was at that time a shortage of housing as there is today. To make a long story short, out of that concept came an Amalgamated housing project. In 1926 that was completed when a law was passed in New York State under Governor Smith to make it possible to get 5% money from some of the banks or insurance companies and also get tax exemption from the city, and so forth. With that kind of cooperation, we started the first Amalgamated housing project where the average rent was \$11.00 per room. We had some people living there later who only paid \$9.00 per room because it averaged from, say, \$9.00 up to \$15.00. And there was in the lower bracket those who wanted the lower floor, and those who wanted the higher floor paid more and the lower floor paid less. So this is another pioneering effort. We are the only union in the country today that still has a bank that is very successful, has 35,000 depositors. We made last year a little over \$3,000,000.00 and all of that -- the stock of the bank -- is owned by the Amalgamated. It's an Amalgamated institution with 85,000 customers, and it is growing and very successful. Why? Because we have good management, because we are conservative, because we are liquid, because we don't speculate. We are the most liquid bank in the city of New York and for that matter in the country, because we are 82% liquid. thing which is what you call long-term is the small loans,

which is the loans made to individuals on their own credit. And some make loans on their cars. We lend up to \$5,000.00, payable within a period of three years, on monthly installments. And our charge for that service is 2% less than any other bank in New York. Then comes another service which we have. A lot of teachers and other individuals, who are in the tens of thousands, opened accounts with us to keep their checks and to pay by check. Well, we charge 6 cents a check as against other banks who charge 10 cents a check, besides a charge for administration, and we don't charge anything for administration.

- I. Why do you think more unions don't do this kind of thing?
- R. The A.F. of L. C.I.O. has another plan. They are interested in mortgage loans; and they have a special fund which is run by the A.F. of L. C.I.O. where they are investing their interest in mortgage funds. Now, here we come to another point where we have established an American institution that promotes the improvement of farm life. We buy from the Department of Agriculture certain of their securities which are guaranteed by Uncle Sam, absolutely guaranteed. We are helping what you would call a legitimate, worthy cause, and at the same time we are getting a decent return. At the same time we are guaranteed by Uncle Sam that we don't take any

risk, like in the stock market that goes up and down. There's no risk whatsoever. And in this, we invest our welfare funds. We've got a guarter of a billion dollars in the welfare funds of the different welfare funds that the Amalgamated controls for the clothing industry, for the cotton garment industry, for the laundry industry, for the cleaners and dyers; we have separate funds. All of these funds are all invested in government securities. We don't speculate. Now, we come to housing. And in housing I happen to be now. This man, Kazan, retired after fifty odd years in this thing. We've developed some assistance, and I've taken over the presidency of the United Housing Foundation. This is a foundation of all the unions in New York concerned with housing, some 26 unions, 26 different projects that have been put into effect where 58,000 families live, which means about 200,000 people. We are now constructing Co-op City which takes care of 15,500 apartments, which means we are building a city of 60,000 people. And this is all cooperative. And the savings to the co-operator is not only that he gets reasonable rent, but he buys his food in our co-operative food stores. He buys his furniture in a co-operative furniture store, He buys his cosmetics and drugs in a cooperative drug store. And anything else we don't want to run, we rent out to the public. He opens his account in the Amalgamated

Bank which is union owned. So these are the services that have been developed; and these things will survive providing they are properly, honestly managed. So far they are, and we are going up and up and up. We are doing about \$14,000,000.00 a year in retail business in these co-op stores. We set up a company now in the last couple of years for the insurance of those people who live there who have cars. And it's very difficult for certain people -- Negroes cannot get insurance at all. The people who live in the co-operatives get insurance and save \$200.00 a year. We have our own insurance company for that. It's limited for these people. I mean, we hope to expand it later on as we go along, but we've been eminently successful. We were going to farm this out to somebody else. And then the question was, "Why should we do it?" It cost us \$650,000.00 to get started, to organize this company. And we turned to the man who's handling the housing. He's Kazan's assistant. I made him an executive vice-president because I wouldn't take the time to run all of these activities, and I'm just sort of honorary president of the foundation. But the executive vice-president does all the work, I said to him, "Well, why can't we work something out." I said, "How much money can you get together in the co-ops?" "Oh," he says, "about a quarter of a million. How much will it need? \$650,000?" Well, then, I said, "the bank will lend you that money and you pay it back." "Oh," he says, "I think we can pay it back in three years." He paid it back before three years were up, because we were doing a very good business,

liability insurance and the insurance for all the projects for people who wanted cars. And the people didn't cheat us. I mean, they cheat themselves if they cheat. Some cars were stolen, yes. Well, we paid. We advise people to put locks on their cars so that they cannot steal them too easily. But, we made it a success. So the upshot of the whole thing is that these groups of immigrants have built institutions that will live beyond our lives. And we are very proud of that, because I believe that this is a contribution to America. We are returning to America what they have done for us. They have given us a home for freedom, democracy, to operate in an entirely different atmosphere, I believe we are repaying them in kind by building these institutions which are novel. And some people will criticize because there isn't a profit motive. But that's the greatness of it. That's the beauty of it. And we have no problem to get money from the state or money from the city, beg us to go ahead and take it. We don't want to take on as much as they would like us to take on because we have our limitations and don't want to overreach ourselves, But for this Co-op City, which is a \$360,000,000. project, we got the money from the state. State finance agency issues bonds, tax-exempt bonds, which is a good investment by the financier who wants to have an investment in government bonds, tax exempt. We pay high prices, but he makes double, so it's a good investment for him, It's a good thing for us. We get

all the money we need. The Board of Education was slow on the take on building our school system. And we have a whole complex. We have to have public schools, and then we have to have high schools. And then we have to have a lot of things. We are willing to give the land, but we want the Board of Education to do it. And the red tape was too long, so it was a problem, So we decided that we'll do our own construction. And we can save a year by doing it. Then the question is this, you need \$60,000,000.00 for building this complex. We have no problem. We went to the state finance agency. They said, 'We have all the confidence in the world in you. You go ahead, build it. And we'll advance the money. And when the Board of Education is ready, they'll pay us back, and we'll turn it over to them" So today these immigrants have built these housing ventures -- the Amalgamated Bank, the insurance companies for the industry, What we save, we improve in our benefits. What we save, we improve for the employers, too, because they have less to pay. It's their contribution we manage; we manage jointly. So we have the housing, the insurance, the educational activities, which is now beginning to be part of our welfare program, In Chicago, as you know, we give now \$700.00 for a full year. Any member of the Amalgamated who's been a member for thirteen years can get it for his son or daughter to get in any of the certified colleges, for four full years -- \$700.00 a year. That's in the Amalgamated.

Ultimately, we hope to establish an educational system whereby it's going to be part of our welfare program, where every member will be eligible to get his son or daughter to college, give them the college education they want to, and get scholarships enough to take care of it. Now, the day care centers we have in Chicago and in the Baltimore area. Well, anyway, to conclude, we are very happy to make this contribution to the land of freedom, where opportunity still exists. We found it existing in 1910. And I think it is still there, with all the criticisms by the young generation, and the lack of communication between the old and the young. I hope there will be understanding. And I hope there will be appreciation for the things that we have developed, because they are for the good of the people, not only in our union, the labor movement, but the people all over the land. So this concludes my story. Thank you.

I. Thank you very much.

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