LABOR RELATIONS IN THE SHOE INDUSTRY OF COLUMBUS, OHIO

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Introduction

This thesis is an attempt to depict the labor relations of two Columbus, Ohio shoe factories, Julian and Kolenga, and Dickerson Shoe Company.

Chapter One deals with the history of both firms, when and how they got started, and a general picture of their respective positions in the industry. An overall picture of the shoe industry is also included to point up the differences and similarities of both companies as compared to the industry as a whole.

In Chapter Two the physical make up of both the factory and the workforce of Julian and Kolenga, and Dickerson is presented.

Chapter Three presents the different aspect under which employees' work at Dickerson, which is unorganized, and at Julian and Kolenga, which is organized, and has been for over twenty years. Reasons for the existence of a union in one plant and the absence of unionization in the other are brought out in this chapter.

The collective bargaining agreement between Julian and Kolenga is the main topic in Chapter Four. References are made to working arrangements at Dickerson Shoe Company also, but since no written agreement exists at this firm no explicit provisions can be cited.

Chapter Five contains the conclusions that were drawn from the investigation of the labor relations of both plants.

Acknowledgements

I am deeply grateful to Herbert H. Lape, Jr., Robert H. Lape, Robert H. Korn, and the advertising department of Julian and Kolenga Shoe Company for their personal-like interest in this project, and
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May 17, 1954

Sincerely,

[Signature]

Howard B. Lape
CHAPTER ONE

A History of Julian and Kohauge and Dickerson Shoe Company and a General Picture of the Shoe Industry
Julian and Kokenge and Dickerson

The Julian and Kokenge Shoe Company was founded in 1892 in Cincinnati by Dr. Julian Alexander Julian. The late Dr. Julian was treasurer of the United States from 1922 until his death in an automobile accident in the spring of 1930. He had no active part in the management of Julian and Kokenge after the 1930's. It was his wish that at his death his stock in the company be bought back by Julian and Kokenge and held as a means for employees of the firm to acquire stock in the company.1

The present Chairman of the Board of Directors of Julian and Kokenge, Dr. Herbert Lape, Sr., joined the company in 1901. Dr. Lape was a native of Columbus and started with the company as a salesman and then later held the position of sales manager, vice-president, and president. He has retired from active participation in the company management.2

In 1921, the Julian and Kokenge Company built a plant at Front and Main Streets, in Columbus, Ohio, which was operated under the name of the Lape and Adler Shoe Company. In 1932 a large addition to this Columbus plant was completed and the entire operations of the company moved from Cincinnati to Columbus. The move was initiated by a series of labor disputes at the Cincinnati plant.3

Through a series of stock purchases Dr. Herbert Lape, Sr., was able to gain majority control of Julian and Kokenge. The Lape family controls approximately seventy per cent of the stock in the company.4 Besides this stock control exercised by the Lape family at Julian and Kokenge, there is also a management control in
world. For example, kidskin comes from China, India, and parts of South America. Califskin comes from New Zealand, parts of Europe and also from domestic sources, while sole leather is secured from South America and also from the United States. Silk thread is imported from Japan while linen thread may be imported from Ireland. In the course of manufacture, an average of over two hundred separate operations are performed in making Dr. Locke and Foot Saver shoes. It also takes an average of six to seven weeks to make a pair of shoes of this type. 7

It takes about one thousand men and women to turn out 2,000 pair of shoes per day at Julian and Kokenge. Seven floors of space are used in the production process which involves starting with the raw material and ending with the finished product wrapped and ready for shipment. To complete this production cycle, the workforce is separated into various working departments. These departments are cutting, fitting, lasting, welt, bottoming, finishing, packing, stock fitting, leather heal, and wood heel. Normally there are approximately two hundred distinct operations or jobs in the ten departments. The exact number of operations or different jobs will vary within very close limits according to the number of different styles being produced at any one time and the design of the individual styles.

Many of the men and women who work at Julian and Kokenge have been with the company for thirty to forty years, and there are several hundred who have been with the company for ten years. 8

In 1946 the Julian and Kokenge Company inaugurated a profit-sharing retirement plan and all employees who have been with the
company for five years are eligible to participate in this plan which is, of course, in addition to the government Social Security program. Each year, according to the plan, the company adds to this fund, a percentage of the company profits without any participating cost on the part of the employees. After the death of Mr. Julian the company offered to the employees who had been with the company three years or longer, common stock in the firm. This offering was over subscribed by thirty per cent and there are now approximately two hundred employee stockholders. A sick benefit plan is also operated at low cost to the employee. The convenience of payroll deduction is also available for Blue Cross, Blue Shield, and Defense Bond programs. ⑨

At the present time 58% of those employed are women and 42% are men. The reason for this is, of course, that many of the operations are performed on sewing machines on which women have a more natural skill than men, as they do in many operations requiring detailed labor. These workers are represented by the Boot and Shoe Workers Local 211 of the American Federation of Labor.

The Walker J. Dickerson Shoe Company, located one block south of Julian and Hokenga at 326 South Front Street, Columbus, Ohio, was founded by Mr. Walker J. Dickerson on February 10, 1930. Mr. Dickerson was formerly employed by Julian and Hokenga as factory superintendent. He was noted throughout the shoe industry as one of the most progressive shoe manufacturers in the industry, in that he knew how to coordinate a workforce into a production team with a minimum of effort and friction. The Dickerson plant is entirely family owned, and has never had any kind of union history, company
or otherwise. Union organizers have come to the plant and distributed literature on organization but there has never been enough enthusiasm among the workforce to force a vote for union recognition.10

Dickerson shoes are quite similar to those manufactured at Julian and Hokange. This similarity in design extends over to the price range also, where the Dickerson brand competes with Julian and Hokange’s Foot Saver and Dr. Locke brands. The Dickerson Shoe Company is about one-half the size of Julian and Hokange. Three hundred and thirty workers are employed at the present time in the proportion of 52% men and 48% women. These three hundred and thirty workers turn out approximately 1,300 pair of shoes per day at present. The capacity of the plant is 1,500 pair per day.11

While Dickerson is entirely family owned the management of the firm is not as completely family dominated as is Julian and Hokange. Outside of Mr. Owen Dickerson, president of Dickerson Shoes, no other member of the Dickerson family is employed by the firm.

Although there has never been a union at the Dickerson plant, the workers enjoy paid holidays, two weeks paid vacation per year, bonus plans, hospitalization protection, and group insurance coverage.

The Dickerson line of shoes is not as widely circulated as are Foot Saver and Dr. Locke shoes. Dickerson Shoe Company ships shoes into a little more than half of the states compared to the nationwide coverage by Julian and Hokange.

In the three years that have elapsed since the death of the founder of Dickerson Shoes, the present president, Owen Dickerson, has tried to expand the line of Dickerson shoes. He has been
hampered in expansion activities by the narrow profit position of
the Dickerson Company. Last year while Julian and Kokenge made
$205,675 net profit on a net sales amount of $7,029,337, Dickerson
Shoe Company was making $60,213 on a net sales amount of $3,011,612.
Julian and Kokenge’s profit ratio was 2.92% on a 7 million dollar
gross business. Dickerson showed a profit ratio of 1.99% on a 3
million dollar volume.\textsuperscript{12}

The narrow profit position of the Dickerson Company is most
probably the best explanation of why there is no union activity at
the plant. Even Dickerson feels that wages at the Dickerson plant
are at the highest level possible. Any further increase in wages
at Dickerson would force the company out of the industry, accord-
ing to Mr. Dickerson. Mr. Dickerson went on to say, “With this as
an obstacle no union could gain entrance into a plant.”

Unlike many shoe factories, Julian and Kokenge and Dickerson
are not on a strictly mass production basis. That is, they do not
manufacture a given number of any particular style to be sold at
random, but manufacture to customer specification against specific
orders. Because of this production arrangement the number of differ-
ent styles manufactured is an unknown quantity as well as the number
of different styles that may be under production at a given time.
When this variable is combined with the variables due to size, it
is quite evident that there is necessarily a wide diversification in
the operations that are performed. This fact complicates the wage
structure in a specialty type shoe manufacturing plant even further.
Wage Structure

"Wage inequalities are as old as modern industry itself. The complete absence of a rational foundation for the wage structure; the unrestricted freedom of the foreman to say to one of his employees, 'I'll give you a nickel raise if you don't tell anyone else', the subversion of the rewarding employees for merit policy into a seeking system of shop politics; and the several other practices contributing to wage inequalities have made them the serious problem that they are today. Management is finding them difficult to solve and unions are finding them difficult to handle."

Julian and Kokenge and Dickerson have similar plans for job evaluation and piece and hourly rate determination. The main difference is that whatever Julian and Kokenge decides upon for piece and hourly rates must be approved by Local 211 of the Boot and Shoe Workers Union before these rates can become effective. Rates at Julian and Kokenge can be changed only when both parties reach an agreement on such changes. Thus Julian and Kokenge has the aid of the union in determining its rates. Dickerson employees must act as individuals in bargaining with the company, as piece and hourly rates are adjusted on an individual basis at this plant. Frequent time study checks are taken at both plants to keep the piece and hourly rates consistent with production techniques.

There are twelve rather basic factors which help to determine piece and hourly rates within a shoe manufacturing plant. These are 1) amount of education necessary to perform the job 2) learning time or length of time necessary to learn a specific job 3) proficiency time, some jobs are simple to learn but require a lot of practice to reach a speed which permits the earning of more money on piece work operations or higher hourly rate on day or by the week; jobs 4) initiative, ingenuity, and judgment plus the necessary amount of original thinking, planning and decisions the job
demands 5) responsibility for material, process, and production—this
is an appraisal of the trust that management has to place in the work-
er 6) responsibility for equipment 7) responsibility for work of oth-
ers 8) responsibility for safety of others—all the machinery in these
factories is stationary. The close quarters under which the work is
performed requires that workers have a high regard for the safety
of their fellow workers 9) physical effort—most of the parts worked
on are moderately light in weight, however, there are some processes
which place the operator in an awkward work position which could
cause extra strain 10) mental, visual, and nervous demand—many of
the operations are of varying degrees of small detailed work which
demands full use of visual and nervous faculties 11) job deterrents
—this factor of job evaluation for purposes of arriving at piece
and hourly rates a praises certain disagreeable conditions for which
the operator must be rewarded. It is a method to overcome reluct-
ance to take a specific job with definite disagreeable character-
istics, 12) hazards—this factor takes into account inherent dan-
gers in the operations to which the operator must expose himself.14

Machinery

Almost 98% of the production work done at Julian and whopping
and Dickerson is paid for on the piece rate basis. The machinery
used for these operations is in a large part supplied from one
producer, the United Shoe Machinery Company of Beverly, Massachu-
sests. This company produces over three hundred different machines
for the manufacture of shoes. The small manufacturer can obtain his
machines on precisely the same terms as his largest and most pros-
porous competitor. United Shoe Machinery Company is the only
company which can furnish all the machines which are used in attaching the soles and heels to the uppers. This one giant company supplies over 75% and probably 85% of the current demand in the American Shoe Machinery market. There is only one important competitor, Junco Shoe Machinery Corporation, which makes machines for the cement process of shoe making. Since Dickerson makes only welt shoes all of its machinery, with the exception of business equipment and sewing machines used in the fitting room, and cutting tools, is supplied on a rental basis by United Shoe Machinery Company.

Julian and Kokenge has a great part of its machinery on rentals from United, and owns the machinery used in the making of their cemented shoes plus the fitting and cutting room equipment.

Most of the shoe manufacturers throughout the country deal almost exclusively with United Shoe Machinery Company, as do Dickerson and Julian and Kokenge, for the reason that by leasing most of their machinery these manufacturers can operate on less capital than would be necessary if all this machinery had to be purchased.

**Comparison of Julian and Kokenge and Dickerson**

So far in this discussion there have been evidenced many similarities between Dickerson Shoe Company and Julian and Kokenge Shoe Company. The main difference between the two firms as far as this paper is concerned is in the fact that one plant, Julian and Kokenge, is organized and the other, Dickerson, is not. It may be well to go into the reasons why each is in the position that it is.

As was brought out earlier, Julian and Kokenge Shoe Company of Cincinnati built an addition to the company in the form of a subsidiary plant located at the corner of Front and Main streets in Columbus,
This plant was operated under the name of Lape and Adler, and was first opened in 1921. The management of the Julian and Kokenza Shoe Company remained in Cincinnati and operated the Columbus plant on a plant manager system, with the plant manager being responsible for all the activities at the Columbus plant and having his salary placed in direct relation to the profits shown by the plant. Under this system there developed many unhealthy situations within the Columbus plant of which the management of the home plant in Cincinnati had no way of knowing. One of the most troublesome violations of working ethics occurred in the cutting room. Workers in this room normally share the work to be done, each being assigned certain production numbers from which they were to work. Because many of the plant manager's favorites worked in this department the work was not always evenly divided. In fact, upon investigation, wages in the cutting room, with the workers all making the same hourly wage, varied as much as $15 per week between workers, and this took in late 1929 and early 1930. 

As the Julian and Kokenza plant in Cincinnati began to shift more of its personnel to the Columbus plant the number of persons injured by plant inequities such as the one described above rose. The partiality was so evident that it became the main impetus for union activity within the Columbus plant, and when the Columbus plant became the sole operating plant of Julian and Kokenza, in 1932, it was immediately organized by the Boot and Shoe Workers, A.F. of L.

Prior to 1932 the Julian and Kokenza Shoe Company had experienced no unionism in its factories for forty years. This was
mainly due to the foresight of Mr. Julian, the founder, and Mr. H. H. Lake, Sr., present Chairman of the Board. For over fifty years Julian and Sokengo has had an employee loan fund in operation in its factory. The limit on this fund at the present time is $5000. On March 16, 1951, the total amount on loan, at no interest charge to employees, was $7,019.75. The maximum amount allowable to any one individual employee depends on the amount already on loan and the merit of the case. This employee loan fund has continued in operation since 1893 in the period of no unionism at the plant and afterwards. In an interview with Mr. Ollie Neir, the present president of Local 311 of the Boot and Shoe Workers Union, the point was brought out that the A. F. of L. has not had too much to gain in terms of monetary benefits from Julian and Sokengo. Paid holidays, hospitalization, company sponsored insurance with one-half of the premiums paid by the company, stock purchasing programs for employees, employee loan funds, and automatic wage increases were already part of the Julian and Sokengo company policy when the A. F. of L. organized the factory. The main reason why the union stays in effect at Julian and Sokengo is because the majority of older workers at the factory remember when inequities did exist at this factory which they could do nothing about. While there is a union at Julian and Sokengo the workers will always have the right to insist on a written agreement, which they did not have before, and definite grievance procedures which must be followed in all cases.

Another important reason for the union drive at Julian and Sokengo was an attempt to insure the continuation of many of the
programs instituted by Mr. H. H. Lape, Sr. Since the company is
dually owned the workforce realized that it was only a matter of
time until another member of the Lape family would be in control
of the company. There was no way of making sure that relations
under someone new would be the same as they had been under the old
management. This was ever more true in view of the fact that prior
to 1932 there were no written agreements in force at Julian and
Eckengo. Whenever the company wished to change its policy it had
only to post a notice to that effect on the main bulletin board.

It is significant to point out that no opposition of any kind
was placed in the way of worker organization at the Julian and
Eckengo plant in Columbus. This was not true of the plant in Cin-
cinnati. The main reason for this change of attitude toward union-
ization was in the way in which the union which organized the Col-
umbus plant went about its organizing activities. There was no de-
struction of property nor even a work stoppage. Once a majority of
persons in the plant had expressed their desire to organize a union,
a union shop was granted to the union and the matter of unioniza-
tion was closed. Previous efforts at unionization in the Cincinnati
plant had resulted in personal bodily harm to several of the fore-
men of the company and several of the officers including Mr. Lape,
Sr. This trouble over unionization in the Cincinnati area was the
main force behind the move to Columbus.

The long delay from 1921 to 1932 in organizing the Columbus
plant was attributed by Collie Hehr, president of the plant local
union, to the attachment which the workers at the Columbus plant
felt for the Lape family. Many of the workers at the Columbus
plant had formerly been employed at the Cincinnati plant, and were shifted to the new factory in small numbers as the change from Cincinnati to Columbus was a gradual one. Due to the fact that many of the present workers have been personal friends of Mr. Lape, Sr. for forty years and more there is still a paternalistic atmosphere in the factory today. The annual factory picnic is still continued, and workers are let out early on Good Friday and before Christmas with full pay for the day. Until just a few years ago the factory sponsored and paid all the expenses of a girls baseball team which won national acclaim in the industrial leagues. This close relationship between employer and employees still presents a problem to the organization of a strong union at Julian and Kokomo.

Dickerson Shoe Company, founded in 1930, has never had any type of union organization within the factory. The reason there is no union at Dickerson stems from the fact that wages are almost identical to those paid at unionized Julian and Kokomo, and that Dickerson's policy of giving two weeks paid vacation to all employees with one year or more of service, plus the hospitalization and group insurance the company provides, leaves little to be desired or won by a union. Piece rates are close to those at Julian and Kokomo, and working conditions at the two plants seem to be as identical as they could be. About the only demands that a union could press for that are not in operation at Dickerson would be a written agreement, pension programs, and a voice in determining the piece and hourly rates paid to employees.

Dickerson Shoe Company started on a family basis. The first workers were encouraged to stay with the company on the chance of
moving up the ladder and of assurance of a steady job. This steadiness has been one of the major factors in holding onto a workforce over the long-run when the company has been faced with the competitive prices of heavy industry in the Columbus area. The fact that many of the workers who started with Dickerson in 1930 had formerly been employed by Julian and Kokenge, Gothan, and John C. Smith shoe companies of Columbus, all of which have a union history, meant that the workforce was familiar with union organization.

These workers did not organize because everything they desired was given to them freely. Mr. Dickerson knew the policies that were in force at Julian and Kokenge, and he carried many of these same policies into his own company. Loyalty to Mr. Dickerson has been a big factor in keeping down the chance for unionism in the Dickerson plant. John Brooker, the International Representative of the Boot and Shoe Workers Union, feels that another reason why Dickerson is not organized is that whenever Julian and Kokenge increases their rates, Dickerson follows suit so as to avoid any argument from the workforce. The only major differences between the wage and fringe structures in the two plants are that Julian and Kokenge has a pension plan for its employees, while Dickerson does not, and Julian and Kokenge has a fixed starting rate of 90 cents per hour with automatic progression to $1.00 per hour after six weeks, while Dickerson has no formal starting rate.

According to Owen Dickerson, the company president, Dickerson Shoe Company has wanted to initiate a pension program for its workforce for sometime. The major difficulty is in finding a just plan
and one which the company can finance. "At the present time with only a $60,000 profit margin from 1933 any talk of a pension plan at Dickerson is out of the question. The same goes for any increase in wage rates." (From Dickerson, April 1, 1931)

Both Dickerson and Julian and Kokange find that any changes that materially affect factors on a job must be accounted for by a reevaluation of the job. Changes in machinery, equipment, method, material, or working conditions can significantly alter the factors involved in a job to such an extent that the need for reevaluation is obvious. The gradual changes that are not noticeable can slowly deteriorate a job evaluation program to such an extent that it is virtually worthless. The final value of any factory's job evaluation plan is dependent on the extent to which the plan is maintained. Proper maintenance of the plan is not expensive. Poor or improper maintenance of a job evaluation program irrevocably increases the labor cost in the manufacturing enterprise. To the extent that a union is always looking for loopholes in a firm's job evaluation program, the union is helping the company to be on its guard not to let its program deteriorate. In this extent Julian and Kokange has an advantage over Dickerson in that Dickerson must constantly re-adjust its plan as individual disagreements are voiced over and over again. With a union in the plant these day by day complaints are held down by the knowledge of written agreements between the firm and the union on what rates will be until the contract is re-opened. If an employee knows that he has had a voice in the setting of the rates under which he works he is less likely to be in disagreement with the fairness of these rates than if he knows that
he has had no voice in the setting of rates and that there is not
even a written agreement as to how long the present rates will con-
tinue to be in force.

Mr. Owen Dickerson concedes that his nonunion plant probably
has more day by day grievances that have to be settled by himself or
the plant superintendent, Mr. Friend, than Julian and Kolage. He
also feels that if an employee knows that he can reach the ear of
someone of authority in the plant, when he has a problem which his
foreman cannot answer, that he will leave his office in much better
spirit than if he were represented by a union official and his case
decided between management and the union.

John Brooker, International Representative of the Boot and Shoe
Workers, thinks that another reason why the Dickerson plant is not
organized is the fact that the workforce feels that the company is
not now and never has been on a favorable enough financial level to
allow for any large enough increase in benefits to the employees
whose negotiation would necessitate the threat of a unionized group.
Where the workforce gets the idea that the company is not too well
off financially is another matter. Mr. Brooker feels that this is
propaganda put out by the front office of Dickerson to keep down the
chances for organization in the plant.

There are many highly speculative reasons why Dickerson is not
organized. The industry as a whole is a highly competitive industry,
with production of shoes being highly concentrated in the low price
grades. The shoe industry has not been particularly profitable on
the average; over half the firms having to operate at losses. Al-
though these losses are concentrated among the smallest firms in the
industry, profitability does not seem further related to size. The industry is further characterized by decentralization. It is a low wage industry with variations in wages being positively correlated with the size of the community, grade of shoe, and unionization. Thus while Dickerson is not organized, it must come under all of these pressures which help establish at least the top wages which it can pay. With Julian and Hokenga only a block away and in the same price field, if Dickerson keeps its wages close to those paid at Julian and Hokenga, which is organized, what more can a union get the employees?

"Shoe manufacturers must struggle for sales in a market where price competition is vigorous. The market price, in turn, imposes severe restrictions on the labor cost that a manufacturer can afford. In this way, the economic characteristics of the shoe industry, are strategic as determinants of the industry wage level and of the wages paid in any shoe producing district. Most relevant to wage determination are .......... 1) the nature of the products and shifts in the demand for various shoe classifications; 2) the number and size of competing firms and the relationships between them; 3) the cost structure, especially the importance of labor cost and the small proportion of fixed costs; and 4) conditions of entry into and exit from the industry, and the ease with which production facilities may be moved."[11]

The youthful thinking of the managers and owners of both Dickerson and Julian and Hokenga shoe companies has culminated in the long no work stoppage records which both plants have. There has never been a work stoppage because of a breakdown in negotiations, lockout, or strike at either plant since they have been in operation in Columbus. Even Dickerson and Robert Logs both feel that it is most important to handle labor relations in their respective plants on a day by day basis. Any problem no matter how insignificant it may seem should be met squarely and dealt with in a satisfactory manner. The problem of educating foremen to the point where they
will deal with a problem and not try and evade the issues is one which haunts both firms. Robert Kern of Julian and Kokange feels that one of the things that unions have done is to cut down on the effectiveness of foremen. They are not willing to buck the organization. This presents a problem when a firm attempts to bring a foreman from out of the ranks of its own workers. At this stage it is often difficult to get "the buddies out of his blood". Through instruction and education foremen at both plants are made to believe that they are managers. The front office of Julian and Kokange realizes that foremen often do not hear about the things that they do correctly and for this reason they are reluctant to tell their employees the things that they in turn do correctly. Often a pat on the back at the right time can be as cheerful to a worker as a pay increase. At Julian and Kokange the foremen are constantly being instructed not to forget these "extra" things which if followed will make work throughout the whole plant flow on a more evenly tempered basis.

Robert Kern feels that ten years from today, or 1964, that Julian and Kokange will be standing on its own for the first time, in that the workers who will be in the factory in 1964 will not have a personal tie with the Lape family as do today's employees. Before the 1930's Julian and Kokange had enjoyed being one of the few fairly large employers in Columbus. Now the city has become more industrial and the newer and larger firms that are entering are making the family corporation with its close knit feelings seem less important to workers. The competitive pay position is beginning to count more and more. Julian and Kokange is able to count
less and less on how the workers feel about the way they have been treated in the past. Ten years from now the company's position in the city will depend not on what it has been in the past, but what it is doing now and what the outlook is for the future.

**Shoe Industry in General**

Some idea of the extreme competitiveness of the shoe industry can be gathered by the number of firms which have been forced out of business due to their inability to compete, or through consolidation and merger with other companies. Since 1947 an estimated 647 shoe factories have gone out of business. To remain in business as independent manufacturers it now is and will become even more necessary to place greater emphasis upon sales promotion and advertising. The increased necessity for these fringe expenditures, expenditures not directly related to the production of shoes, places an even tighter squeeze on production expenses. 29

Because of the pressure which International Shoe Corporation, and General Shoe Corporation are putting on independent manufacturers, in the form of buying up retail outlets and shrinking the market for independently manufactured products, it has been necessary for independent manufacturers to introduce their products in less favorable areas, with a resultant increase in selling expenses. 29

The shoe industry is a sick industry. The low starting rates do not compare favorable with general manufacturing wages. For this reason young people are not being attracted to the shoe industry, and the average age of shoe workers has been increasing steadily. Julian and Hakanss is a good example of this industry-
wide problem. As of April 5, 1951, the following number of persons fifty-nine years of age and over were in full time employment at Julian and Kokenge:21

<table>
<thead>
<tr>
<th>Age</th>
<th>Number Working</th>
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<tbody>
<tr>
<td>59</td>
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</table>

The industry-wide average for shoe workers in 1953 was $1.31 per hour. Compare this with $1.72 cents per hour, which was the average for general manufacturing employees in 1953, and you can easily see why the shoe industry is a sick industry.22

In 1953 eight percent of 179,000 production workers in the shoe industry earned less than 50 cents per hour, while about the same proportion earned 62, or more per hour. New England and the Middle Atlantic States paid $1.37 on the average per hour worked, compared to $1.24 in the Middle West, and $1.27 in the Great Lakes region.23

Julian and Kokenge and Dickerson were both above the national
average for shoe factories in hourly wages. Dickerson's hourly wage average was $1.34 and Julian and Sokengo's $1.32 for 1953. The two firms were 10 and 8 cents higher than the average for the Middle West in 1953. 2h

The basic problem in the shoe industry as Robert Korn, factory manager of Julian and Sokengo, sees it is the low starting rate. Julian and Sokengo has a starting rate of 75 cents per hour with automatic progression to 75 cents in three weeks and $1.00 per hour in six weeks. Dickerson, having no formal contract with its workforce, has no formal starting rate. However, most of the beginners start at 75 cents per hour and move up on an individual basis depending upon ability. Neither of these wage patterns will enable the companies involved to obtain the type of workers that they would like to form a part of their organization. At between 75 and 90 cents per hour a company will pick up a lot of deadwood and drifters who will not last through the training period. This is especially true in the case of Julian and Sokengo and Dickerson, who make high-grade shoes, where the training periods are considerably longer than in the majority of the shoe manufacturing plants in the nation. 19

The upper end of the wage bracket in the shoe industry does not present nearly the problem that the lower level does. In Julian and Sokengo and Dickerson's plants a bottom sander will make over $2.40 cents per hour. This compares favorably with other occupations of comparable skill.

The spread in the shoe industry between the beginner's wage and that of the bottom sander or outside cutter is far wider than the spread in the larger and howtier industrial manufacturing
operations where industrial type unionism is in effect. Compare the spread between the beginner at McKesson getting 75 cents per hour and the outside cutter getting between $2.50—$2.70 per hour with the spread at General Motors' Trenton Plant between a sweeper at $1.55 per hour and a tool grinder at $2.73 and you can see an 80 cent per hour difference in the size of the spread between the most unskilled and the most skilled operations conducted.²⁵

There are many reasons why the size of the spread in the shoe industry has not been decreased. One of these reasons can be readily realized when the structure of the unions organizing the shoe factories is understood. Julian and Kohange is an example. This factory was first organized in 1932 under the provisions for union organization inherent in section 7a of the National Industrial Recovery Act. The organizing members of the union were mainly the skilled workmen in the heavier operations in the plant's bottling and finishing rooms. With these skilled workmen leading the way the rest of the plant followed suit and became affiliated with the American Federation of Labor, becoming Local 211 of the Boot and Shoe Workers Union. At the present time there are several members of the union's executive committee who have been members of the union since its beginning at the plant. In fact, the entire executive committee of Local 211 is made up of skilled workers who have been in the employment of Julian and Kohange from a minimum of six to a maximum of fifty-one years.²⁶

In negotiating with the company the members of the bargaining committee of Local 211 stress the position of the skilled workers much more than they do the position of the unskilled. The reason
for this is the belief of the workers in the ability of a good man to work his way up in the shop to a higher paying job. In August of 1953, of three hundred and eighty shoe manufacturing plants surveyed, representing 121,930 workers, or more than one-half of the 220,000 workers in the industry, only eleven plants were found to have 25 cents or above as a starting wage. It is the opinion of Robert Kern that at least 25 cents per hour would have to be added to the starting rate at Julian and Kokomo to put the company within a favorable range of the most desirable labor. Although Julian and Kokomo pays 90 cents per hour for beginners, which is high for the shoe industry, this figure does not represent a competitive wage in an industrial area. One of the big problems a high priced shoe manufacturer is faced with is one of somehow bringing up the bottom of his wage scale without discouraging those who stay on and train by lowering the spread between the top skilled and the learners.

Because the cream of the crop of young, wage earners do not come to the shoe industry it is becoming increasingly difficult to pick qualified men out of the ranks. The chance for quick money elsewhere with no poorly paid training period drives most of the better workers away from the shoe industry.
CHAPTER TWO

Working Conditions and the Work Force
New Employees

Julian and Holenge the need for skilled and semi skilled workers runs to approximately 75% of the total workforce. Julian and Holenge train many of its own skilled employees through apprenticeship periods in the factory. The comparatively low initial wage in the shoe industry as a whole makes it difficult for a firm to draw to its doors high caliber help which it can train. Shoe firms such as Dickerson and Julian and Holenge face an even more crucial problem in the training of employees. To become a skilled shoe maker in the high grade industry takes months, often years of experience. The firms mentioned have no inexpensive line of shoe on which those new trainees can learn, but must allow inexperienced hands to work with good materials. This imposes an additional cost to the training period for the reason that the product of trainees is unsalable. Julian and Holenge and Dickerson dispose of shoes on which production mistakes have been made through employee purchases at 5¢ per pair, compared to the retail price of 17.95 and higher, and through Gilbert's Shoe Outlet in Columbus, Ohio.

Large shoe corporations such as International, General, and Dream have a definite advantage in training new employees. These larger firms manufacture shoes in all of the different price grades, from the cheapest canvas shoe to the finest leather and suede models. Trainees are broken in on the canvas models and worked up on a graduated basis to the higher priced shoes. In this way the training period is also a productive one.
Physical Conditions at Julian and Kokengo and Dickerson

The lighting at both Julian and Kokengo and Dickerson is not of the fluorescent variety for the most part. Each machine has its auxiliary light which shines directly on the piece to be worked. Both firms have introduced fluorescent lighting in the offices, but such lighting would be impractical in the plant because the flow of light could not be directed as easily to suit the individual needs of the workers. As much use of natural light is made as is in conformity with good building construction.

In the Julian and Kokengo plant rest room facilities are available on every floor except the seventh. The seventh floor is used only for instock shoe storage and the plant hospital. The Dickerson factory has rest rooms on all of its four floors. These rooms are well kept up and are supplied with sanitary health guarding disinfectants.

As in all industrial plants there is a large amount of activity going on at Julian and Kokengo and Dickerson shoe factories. With over two hundred separate operations required per pair of shoes, various types of heavy and light machinery are used throughout both factories. Since the shoe manufacturing business requires comparatively little use of heavy industrial equipment the noise element in both plants is not disturbing.

There is very definitely an odor which is peculiar to a shoe factory. As leather is being worked over by the various operators the heat of the machinery brings out the full scent of the various leathers that are being worked over. Times in the factories are noticeable in the polishing wheel areas, and in Julian's plant, the
current sole area. The attaching of the sole to the upper by the
cowboy welt stitching machine also produces a very strong pungent
odor which is removed by overhead draw fans.

The office of the Julian and Kohenge Shoe Company is com-
pletely air conditioned, as is most of the first floor. Except for
this area the rest of the factory is extremely warm all year around.
There are two other areas in the Julian factory which have control-
led constant heating. These are the seventh floor shoe storage and
hospital area, and part of the fifth floor where over one-half a
million dollars worth of sheet leather is stored. The heat in the
rest of the factory is due to the hot fumes from the closely packed
machines and the absence of a modern air circulating system. The
same may be said of the Dickerson Shoe Company. Both Julian and
Kohenge and Dickerson shoe companies were constructed prior to
1930. Julian and Kohenge opened all operations in the Columbus
factory in 1932 and Dickerson has been in full operation from 1930.
Neither structure has been changed a great deal from the date of
original construction. In 1952 Julian and Kohenge did add a new
section to its instock department complete with fluorescent light-
ing and a separate cooling system, at a cost of over $65,000.25

The quality and temperature of the air in both of the plants
could be greatly improved provided that each plant were of the
single floor construction. Considering the seven floors which
Julian and Kohenge's air circulating units must change, and the
four floors which Dickerson's unit must work on, both plants have
very good fresh air supplies.

Neither plant has a cafeteria. Both plants have candy,
coffee, and cigarette machines scattered throughout along with drinking fountains and the companion salt tablet dispensing machines.

Employees at both Dickerson and Julian and Holenge have the advantage of free parking facilities available to them at lots adjoining both factories. Julian and Holenge recently purchased a lot for parking at a distance of two blocks immediately west of the factory. This was to provide needed space for workers who could not find space to park in the company lot next to the factory. Dickerson has ample facilities adjoining its plant for its own employees to park. Both factories are located within short walking distance of several bus and two out of town bus routes.

The close location of Lazarus, Kresshouse-Fashion, and other downtown shopping centers enables employees of both firms to do their shopping either at their lunch hour, or after working hours, which is four o’clock in the afternoon for the production workers, and five o’clock for the office workers.

Seasonality of Production

Both Julian and Holenge and Dickerson have the same slack periods. These are April and May, and October and November. Julian and Holenge meets the period of slack sales of specialty models by producing basic models for its instock supply which the company then exports to the market when sales are up. Julian and Holenge officials also attempt to introduce short season new models during slack periods in an attempt to pick up consumer interest. These activities at Julian and Holenge enable most of the production workers to work their regular five day week schedules. The plant does shut down one week out of the year for which the work-
force is not paid. This work is used for cleaning up and repairing any damage to the buildings which may have been done in the production year. When plant earnings are good, bonuses are paid to all employees which helps offset the work without pay.

Dickerson employees usually can plan to be on short work schedules from April until May and from October until November. The reason for this is the seasonal change in production sales, and the fact that the Dickerson Company can not afford the risk of reducing as many workers for in-stock orders as Julian and Holrange.

To compensate for this slack period of employment, Dickerson has a company bonus system which each employee benefits from in proportion to the amount he or she had earned throughout the year. Benefits paid under this bonus plan are determined by the company’s Board of Directors. Usually they are the same percentage as the dividend paid by the firm than compared to the book value of Dickerson stock; (e.g.) if the book value of Dickerson stock were $30 per share, and if the company declared a $3 per share dividend, then each employee of the firm would receive a 10% bonus on his earnings for that year.

The size of both Julian and Holrange, with 500-700 employees, Dickerson with 300-500 employees enables the workforce to have a close relationship with the office personnel and management. The efficient manner in which grievances are handled at both plants is reflected in the low no service records at both factories.

Office Personnel

Julian and Holrange has approximately three times the office force that Dickerson employs. Even Dickerson pointed out that
several jobs which are handled by separate people at Julian and Kokenge are incorporated into one job at his factory to lessen operating expenses.

In stressing the friendly relations at Julian and Kokenge, Robert Kern mentioned that he has never had to advertise for office workers. Girls who have worked or are now working at Julian and Kokenge tell their friends about the conditions at the plant, and bring them into the organization. An example of enlightened personnel management is how slack periods in the office are handled at Julian and Kokenge. When there is little work to be done on a certain day in the office, Mr. Kern will give the workers the afternoon off, with pay, noting that when he gets into a situation when everyone must put forth a little extra effort to finish on time the workers will remember the favor and respond accordingly.

Age and Length of Service

Julian and Kokenge has workers from 16 years of age to 61 years of age and from one day of service to and including 31 years of service. Dickerson has workers from 16 up to and including 71 and with from one day to 21 years of service with the company. Over half of the workforce at Julian and Kokenge is made up of women and nearly half of Dickerson's workforce is female.

The high average age of workers in both plants makes it difficult for either company to initiate a pension program. This is not just a local problem but an industry wide problem. Julian and Kokenge reports that over 40% of its workforce is 50 years of age and over, while Dickerson reports that approximately 15% of its
workforce is 59 or over. It is interesting to note that over half of the shoe workers in the United States are over 45 years of age. The average age of Columbus workers for all endeavors of employment is 36. The high age average in the shoe industry is a result of only a very few firms, 11 out of 300 major producers, having pension programs. The lack of pension programs, coupled with the relatively low wages earned in the shoe industry combine to lengthen the amount of time which the average shoe worker must remain a member of the active workforce. These older workers are usually firmly installed in the most skilled operations in the plant, and this fact added to the low starting wage of beginners cuts down on the attractiveness of the industry for young people. Time after time as the quit forms at both plants will tell, young people will leave the shoe industry for higher paying jobs and a chance for more rapid advancement.

Different Skills Required

Because of the variety of operations that are required to turn out a pair of high grade women's shoes a diversity of skills is needed to complete the production setup within Julian and Kokemel's and Dickerson's plants. To show the type of operation that is typical of the shoe industry as a whole the "dust blowing" operation and the "outside cutting" operations are listed below.

Dust Blowing—Functional analysis: to remove all sanding dust from the bottom of shoes. Steps in the operation: 1) get and position shoe rack under the dusting hood 2) reach for air hose and blow off bottom of shoes on that half of the rack under the hood 3) turn shoe rack and finish the other half 4) slide shoe rack to the production line for further operations 5) complete several
lots, series of shoes bearing the same work number, and record the lot number.27

For this job the operator must be able to read, write, add, subtract, and fill out work tickets. Learning time is negligible, and proficiency time is one month. Dust blowing is a simple and routine operation, the dust being removed with forced air from a hose equipped with a small nozzle. If the dusting is done poorly it makes more work for subsequent operations. The operator in this case handles shoe racks as the working equipment for the job. He is in no way responsible for the work of others and can injure the safety of others only through careless operation of the high pressure air hose which could blow particles into other’s eyes. Little physical effort is required for this job. The operator stands and it is necessary for him to bend over the racks, but the cycle of the operation is short, and rest periods are frequent. Little or no mental or visual concentration is required for the job, however, the operator must be alert to keep from scattering too much dust.

This particular operation has a high grade of disagreeableness from dirt and dust. There is no special hazard in performing the operation except that particles of dirt or dust might get into the operator’s eyes. Goggles are provided to prevent this from occurring.

From the description of this job it is easy to tell that it is on the low end of the wage scale. The reasons are fairly obvious. The job requires little or no training time, no decisions, and the operations following this job are not particularly influenced by it one way or another.
On the other end of the pay scale we find the very skilled job of the outside cutter. The description of this job is as follows:

Outside cutting—to cut out parts for uppers from skins using cutting patterns. Steps required: 1) get orders and material from stock room 2) sort leather for size and weight 3) select skin and inspect, this is referred to as pulling and stretching the skin, 4) place pattern and cut 5) lay aside the cut piece 6) cut different parts; separating by size and raise and tie these pieces into bundles 7) assemble patterns when finished 8) oil and rub cutting boards 9) keep cutting knives sharp by using the grinding wheel.

The worker on this job checks and counts the skins on each new job, sorts the skins according to weight, size, color, and the type of shoe for which they are going to be used. He selects patterns and interprets the working tickets for size, quantity, cutting instructions, etc. The worker closely examines skins for defects, tracing the pattern on the skin to avoid defects. The cutting must be uniform from the standpoint of quality, weight, and embossed design factors. The leather patterns must be cut in such a way as to achieve maximum material usage and at the same time get the maximum in appearance. Cut pieces are then assembled and sorted according to sizes and instructions on the working ticket.

For this type of skilled operation a worker must be able to read, write, interpret single written instructions and specifications, and fill out work tickets. It takes from ten months to a year just to learn this operation. To become proficient at outside cutting takes from sixteen months to two years. Due to the highly variable quality of skins the continuous exercise of judgment in the
placing of patterns, to achieve maximum material usage, maximum appearance, and proper weight leather for various shoe construction, is required. The outside cutter handles large quantities of expensive leathers. His personal judgment prevents loss and waste or causes it. This operation has maximum effect in quality, appearance and delay in subsequent operations. Poor placing of the pattern results in loss in lasting operations. Inaccurate cutting causes delay and confusion in many subsequent operations.

In this operation the worker is not responsible for expensive plant equipment. Cutting boards, knives, patterns, and occasionally a grinder are used by outside cutters. These working instruments represent little capital investment, and damage at the minimum would be slight. Continuous mental attention and concentration continuously requiring close visual inspection on a variety of color and glazing surfaces is required of the "cutters". The only hazards these workers are in contact with are possible skin irritation from handling colored leather, and finger lacerations and minor cuts from their own cutting knives. They can injure other employees only through very careless walking about with cutting knives in their hands.

The cutting department of any shoe factory is a very important element in whether that factory will make a profit or not. The higher the grade of shoe that is produced, the more important the cutting of the leather becomes. For this reason the workers who perform this skilled operation are among the highest paid in the shoe industry.
Other Factors of Employment

From interviews with workers at both Julian and Kokange and Dickerson the following list of job deterents was collected:

1) dust and dirt accompanies the performance of many of the operations, especially those which involve the cleaning or oiling of machinery
2) noise, fumes from solvents, and contact with cement in making cement attached shoes is extremely unpleasant
3) cutting particles are literally thrown in operators faces due to the poor positioning of some of the plant machinery
4) restricted and congested work areas
5) noise from other machines
6) monotonous, humdrum type of work
7) ink stains on hands and clothes in marking and cleaning shoes
8) fumes from machines
9) cluttered aisles

It is interesting to note that most of these job deterents are the type that would be associated with any job in any plant. No particular instance of association directly to Julian and Kokange or Dickerson could be made from just viewing this list.

As far as other physical aspects of the two plants go both plants have automatic sprinkler systems on every floor. There are fireproof doors separating the office force from the factory to reduce heat and noise and check the spread of fire should one start. Julian and Kokange and Dickerson shoe companies both comply with all the factory laws of the state of Ohio and all ordinances of the city of Columbus.

On the whole both plants provide as pleasant working conditions as are possible under the manufacturing conditions which the product itself dictates and to which the buildings lend themselves. It was a personal goal of Walker J. Dickerson to make his plant as
pleasant and comfortable for the working force as possible; how-
ever, conveniences for workers must not interfere with the ability of the company to show a profit.
CHAPTER FOUR

Colonization
The Scope of Unionization

Because Julian and Kokange is organized, and Dickerson unorganized, the discussion of unionization in the shoe industry in Columbus will be limited to Julian and Kokange. In Chapter One reasons were given which account for Julian and Kokange being unionized and Dickerson free from unionization. At Julian and Kokange the workers operating on, or working with the instruments of the product itself are organized under the Boot and Shoe Workers Union Local 261 of the American Federation of Labor. Maintenance employees and all other non-production employees, with the exception of the office force, are organized under the Operating Engineers Union. The importance of this union at Julian and Kokange has diminished since Julian and Kokange removed its generators from the plant and now receives its electric power supply from the Columbus and Southern Ohio Electric Company. This action was taken in 1958. Due to this power supply changeover, the company no longer needed the services of most of the power plant engineers in their capacity as engineers. These workers were offered other jobs within the plant. This action brought them into the Boot and Shoe Workers Union from the Operating Engineers Union.

It is well to point out that the Julian and Kokange Shoe Company decided to do away with supplying its own power for financial reasons and not for reasons of diminishing the bargaining position of the power plant employees within its factory setup.

Because all but twelve of the employees unionized are within the ranks of the Boot and Shoe Workers Union, it is by far the most
important aspect of unionism within the Julian and Hokeng Shoe Company, and for that reason the main part of the discussion on unionism will be centered with Local 211 of the Boot and Shoe Workers Union.

**Attitude of Julian and Hokeng Management**

In many ways the present managers of the Julian and Hokeng Shoe Company feel that the organization of their plant in 1932 was a service to the company. The company was organized because of mismanagement on the part of the company plant manager, and favoritism, to the point of lowering morale, on the part of several foremen. Due mainly to the Boot and Shoe Workers Union pointing out these incompetent managers, they were weeded out of the organization. For this much of the union activity in the plant the managers of Julian and Hokeng are grateful. However, Robert Lane, vice president of Julian and Hokeng, feels that the Boot and Shoe Workers Union was not educated its members thoroughly enough so that they knew that their union stands for. He mentioned that a weak inefficient union such as Local 211 can be a source of worry to a company, in that other union try to break into the picture all the time. Mr. Lane was quick to point out that the bargaining members of Local 211 were quite reasonable to deal with, and the people in charge of the union were level-headed and did not stir up trouble where there was none to be stirred up.

**The Union Officials**

Larry Connor, recording secretary of the union, and a floor girl in the stock fitting department, and Arthur Isomaglo, receiving issues and cut clerk in the stock fitting department, and
executive board member of the Boot and Shoe Workers Union stressed the smooth relations and fair dealing that have carried on through the years on the bargaining scene at Julian and Sokenge. One of the things which the union members like about dealing with Julian and Sokenge is that the managers of the firm have always been square dealers. "They never attempt to evade the issue, and often see union demands coming in advance and do something about these demands without boasting about them so as to make the union look bad."

The present members of the executive board of Local 214 are Ben Allen, chairman, Arthur Trannagle, Ray Seeley, Paul Byers, Stella Sullivan, Lebile Robol, Darina Hunter, and Mary Connor. The executive board meets one-half hour prior to the regular membership meeting every other Wednesday at the third floor of Union Hall at Rich and High Streets. The executive meeting is designed to handle all small matters and review large problems before they are presented to the general membership. This facilitates the handling of union matters, and allows most general membership meetings to be conducted in thirty minutes to an hour.

The present elected officers of Local 214 are Edie Kehr, president, Pearl Collins, vice president, John Goeploon, financial secretary, and Mary Connor, recording secretary.

All of the elected union officers have been with Julian and Sokenge for twenty years of over. They all have skilled operations to perform in the plant, and represent for the most part the nucleus of the first group to drive for organization at Julian and Sokenge. The executive board of Local 214 and the elected officials of Local
are two separate and distinct groups within the union.

Inside the Union

Each time a check is drawn on funds from the union treasury two signatures must appear on the check, that of the union president and the financial secretary. The recipient of any check must sign a receipt which is filed in the union office. Notice of the receipt filed is given to the general membership, as the list of receipts for the previous month is read at every union meeting. This gives the general membership ample opportunity to question the reasonableness of all expenditures. This is also a big aid to union morale since it all but eliminates mismanagement of union funds.

On Wednesday March 21, 1951, Local 211 had $4,700 in its treasury. Over half of this sum is in the form of government savings bonds. Once a year, this year the date is April 23, a dance is given by the union which diminishes the treasury by around $500.

Attendance at regular union meetings is never very good, by admission of the executive board, who usually make up over one-half of the attendance. The night of March 21, 1951, there were ten people in attendance, counting the eight members of the executive board of the union. (March 21st is referred to because it was on this date that the author was given permission to attend a typical union meeting of Local 211.) Naturally when a contract is about to be reopened attendance does increase, but is never over from thirty to fifty weeks in out of a membership of over six hundred.

Local 211 has never been a strong union from the standpoint of a high percentage of membership participating in the activities
of the union. In 1947 when the local took a strike vote, the only
strike vote in fifteen years of unionism to that date at Julian and
Kokense, only three hundred out of almost eight hundred members par-
ticipated in the balloting. This was the largest turnout the local
has ever had except for the free dance sponsored by the union.

Dues for the I. W. of L. Boot and Shoe Workers Union are
$1.75 per month. Those serving on the executive board have their
dues returned to them each month. The executive board is elected
by the union membership after nominating at a general membership
meeting has selected those who will be on the ticket.

New employees at Julian and Kokense are given thirty days in
which to become members of the union. If they do not join the union
after thirty days have elapsed since they began work at the company,
then they must quit, or be fired. This comes under the union shop
provisions in the contract between Julian and Kokense and Local
321.

Cllie Nohr, president of Local 321, expressed the thought that
his union was very much limited in the amount of haggling which they
could do because of the nature of the shoe business at Julian and Ko-
kenge. He referred to the high irregularity in the earnings per
share of common stock at the company. Earnings at Julian and Ko-
kenge have dropped off an even $2.00 per share since the 1956 high
of $7.09 per share before taxes. "The best thing that could hap-
pen as far as the employees are concerned is for some larger shoe
manufacturing concern to buy Julian and Kokense." This action would
put the union in a better position to bargain for pension increases
and higher starting wages, which they know they cannot hope to gain
from a business whose profit position is becoming more precarious as time goes on. Naturally since the principal owners of Julian and Hok enhancement also its managers they would stand to lose the greatest part of their income by selling out, since it is quite unlikely that all the present managers would be kept in their respective positions under new ownership.

John H. Brooker, International Representative of the Boot and Shoe Workers Local 311 of the American Federation of Labor, made the following statements in a personal interview on March 30, 1951:

"Mr. Dickerson (Walker A.) used to be employed by Julian and Hok enhancement. He broke away from Julian and Hok enhancement and started his own plant. He induced several skilled operators to leave employment at Julian and Hok enhancement, Joyce, Shain J. Smith, and Godman Shoe company, to come and work for him and grow with the business. His factory got to be sort of a big family affair. For close to fourteen years after the company was organized 1,500 pairs of shoes were made daily. Though Dickerson workers have never been organized, the Dickerson Company has followed the union line in giving vacations with pay, bonuses, and hospitalization. Because of the steady work at Dickerson and a chance to grow with the company, the workers were hard to organize. Dickerson workers have always feared that the union would overthrow the big family element at the plant and break down ties that now exist in the factory. This is exactly what the officials of the A. F. of L. Boot and Shoe Workers intend to do if they organize the Dickerson plant. The reasons are obvious. The overall picture is not as good at Dickerson as it is at Julian and Hok enhancement. Dickerson is paying a starting wage for beginners which is between $5 and 25 cents an hour under the Julian and Hok enhancement starting wage. Because Dickerson's management is reluctant to expand their line of shoes, Dickerson employees can not make as much per day on these work as the organized employees of Julian and Hok enhancement. The overall piece rate structure is not as favorable at Dickerson either."

Mr. Brooker feels that the falling of Shain J. Smith and Godman Shoe Company, both of which were unionize , might be an influencing factor on many of the Dickerson employees not to organize. Also more than 50% of all shoe workers are over 45 years of age.

I do remember the depression, and the resultant lack of work, and
and for this reason they don't want to force their company's position out of line with that of their competitors. McKesson Shoe Company has let it be known that unionization in their plant might very well be a large force in pushing the company out of the competitive market.

Mr. Brooker feels that the A. F. of L. has almost reached the saturation point at Julian and Philadelphia. This company has pension plans, stock purchase plans, hospitalization, group insurance, and is paying from 15 to 25 cents per hour more than its city competitor McKesson for beginning employees of a non-skilled variety. The A. F. of L. Boot and Shoe workers realize that it is of the utmost importance for their organization to raise the average shoe workers' rate from $1.33 per hour up to the $1.72 per hour average for general manufacturing. This has been difficult to do without forcing independent manufacturers out of business.

On the guarantee contract which Brown Shoe Co. of St. Louis signed with Local 500 of the Teamsters, Mr. Brooker had this to say.

"This contract gave Brown Shoe employees an opening to ask for things which had been brushed aside before. As a result of the Teamster's drive the Brown Shoe employees got a modified union shop contract in the place of the open shop contract which they had before. The shoe workers also received generous hospitalization plans paid for entirely by the company. However, it does not pay to attempt to draw too close a comparison between the bargaining position of the Teamster's warehouse workers and the A. F. of L. Boot and Shoe workers. The Teamsters get an annual wage guarantee from Brown because they frequently work 60 hours a week when the shoe workers in the same plant may work only 20 hours. Raw supplies must be unloaded and finished goods must be shipped on time. Returned goods must always be taken care of. On the other hand over 80% of all production work in shoe manufacturing is done on the piece work basis. In slack seasons operators work while there is work and go home. Since all the operations must be coordinated there is little overtime. Sort of an all work or none work proposition. In such a situation only a minimum guarantee
would be practical. Besides this obstacle shoe workers are not in a favorable position to bargain for a guaranteed annual wage. Very companies now easily because they do not have to have large amounts of capital tied up in fixed equipment. They can also farm work out unless it is against the terms of a contract to farm work but when a strike is in progress. So many of the shoe unions are in such a weak position that they do not have this protective provision. The only way shoe unions can get strong is for the big producers eventually to eat up the little ones. The big producers, having stronger profit positions, and larger fixed investments should be easier to deal with."

In matters relating to the unionization of Dickerson, the international representative of the A.F. of L., feels that Dickerson opposes unionization in every way possible. Mr. Brooker feels that workers at the Dickerson plant are promised higher wages in the long run for not joining in organizing activities, and that after Julian and Locksenge negotiates a contract Dickerson follows this leadership with similar benefits. In Mr. Brooker's opinion the workers at Julian and Locksenge are bargaining for two plants, their own and Dickerson's.

**General Brand**

The members of the union executive board, all of whom have been employed at Julian and Locksenge for six years or more, realize the squeeze in which independent shoe manufacturers find themselves. This realization on the part of active members of the union is an important reason why bargaining is on a smooth basis. Union demands are never unreasonable out of line with what the company can bear. This saves both time and tempers on the part of both union and management contract negotiators.

The management at Julian and Locksenge is attempting to meet the outside squeeze of the retail market by International, General, and Brown Shoe Corporations, by raising Julian and Locksenge a larger
producer in the industry. Since 1952 Julian and Okaneko has in-
creased its equity in the net assets of the Thomas Shoe Company by
235%. This figure seems small to represent any interest of major
importance in controlling a manufacturing concern of any size. The
shoe industry, however, does not require the investor to tie up as
large a portion of his capital as an outsider might think. The
reason for this is because nearly all of the machinery used in mak-
ing the finished product can be rented on a fixed charge per pair of
shoes turned out. Julian and Okaneko has been building new retail
outlets of its own as an answer to the larger producers buying up
scores of retail outlets in an attempt to corner the large share of
such outlets in the nation. Julian and Okaneko's financial report
for October 31, 1953 shows that 93,602 was expanded in 1953 for
majority interest in capital stock and surplus of subsidiary com-
panies, such as the Foot Saver Shop in Columbus, Toledo, and Dallas
Texas.

The management at Julian and Okaneko would like to see an
even greater extension of the existing pension plan which is now
in effect at the company. However, it is hardly a wise idea for
a company which is already paying more per hour, and granting more
employee benefits, to continue to stay further and further away
from its competitive neighbors in the industry. The people who
buy your products are not so much interested in the size of the
pension your workers have as they are in the price difference be-
tween your product and a competitor.

Many of the officers of the local union at Julian and Okaneko
have been employees of the firm for twenty years and more. De-
cause of their length of service they can well remember the changes that have been made in wage scales and working conditions at this company. Many of the more important changes were not brought about by union bargaining. The most progressive changes, the pension profit sharing plan, and employee stock purchase plan, were granted by the company with no pressure from the union at all. These benefits were given freely by the company in appreciation for the many years of service which its employees had rendered to the organization. Of course, had Local 241 been stronger, it might have demanded the benefits which the company has put into being. The fact remains that even today some of the most important benefits to the workers at Julian and Isenage are not contained in the agreement between the company and Local 241. They are benefits which the company puts into existence on its own and employee stock purchase rights and loan funds. The crux of the bargaining matter at Julian and Isenage seems to be that the employees are satisfied with what they have at present, and are hard pressed to find anything within reason for which they can bargain effectively.

Morale is far better at Julian and Isenage today with a union in the plant than during the no union non-contract period prior to 1932. The reason for this is that with a union in the plant the company can better gauge how its workers feel toward certain practices which may be going on at the time. Without a union a company can only rely on individuals getting worked up enough to make a statement about a certain situation, which may or may not reach someone who is in a position to do something about it. As individuals, without union job protection, it is very questionable how
many workers would be willing to voice too loud a protest against company policy. Dr. Owen Dickerson claims that if the relationship between the employees and the managers of a small company is really working at its best then no worker should be afraid at any time to voice an opinion on any subject, especially those concerning operations going on within the factory.

An important aspect in good labor relations is that each side see the other side's position, strong points and limitations, and not try to take undue advantage of situations that arise. Dr. Robert Lane feels that his organization goes at least halfway at all times to see the union position with the company. He feels that the union people also meet the company on the same grounds, and under these situations better shoes are produced under a better atmosphere.

Owen Dickerson feels that union often remove the free competitive atmosphere from bargaining within an industry. He stressed that often unionized plants must bargain with men who are not employed in the plant, who have no interest at all in the long run or overall influences of an agreement on the company's position in the industry. Dr. Dickerson feels that there are many labor leaders who are merely interested in power, and creating a better position for themselves in the union by increasing the size of the union treasury by larger receipts through dues collection. Owen Dickerson feels that employees at his plant are not affiliated with any union because they do not wish to be. He continued that wages account for close to thirty-three percent of the expenditures at Dickerson, and in his mind a union would have no way of increasing the share to
the employees short of forcing the company out of the shoe business. This being the case, according to Mr. Dickerson, there would be little reason for his employees to pay out 12 or more per month to a union organization unless that organization could get the workers more than that amount in benefits. Mr. Dickerson feels that this is impossible at his plant, and that the workers know that they are being paid the very highest wages which the company can afford.

The older workers at both plants command the best earning jobs. These same workers also have the most influence with the management, and to that extent have a voice in the wage structure under which they will work. This older and more temperate influence is more co-ordinated at Julian and Kohenge than at Dickerson through the executive board of Local 411. The problem that the older workers face in the shoe industry is that they do have the voice in what the conditions of employment are, but they must be somewhat reserved or cautious in their approach to bargaining problems because they do not have many other opportunities for employment in the Columbus, Ohio area, especially at the wages which they are making in the more skilled operations with Dickerson and Julian and Kohenge.

The bargaining at Julian and Kohenge has followed the same line for several years. The A. F. of L. Boot and Shoe workers have been unable to present any new demands, and for the most part the same contract has been renegotiated. This is a result of Julian and Kohenge having given the Boot and Shoe workers almost all of the contract benefits typical of the industry early in the negotiating history of the union. Chapter Four will entail a close look at the contract.
CHAPTER FOUR

Collective Bargaining Agreements
General Picture

"The most frequently found fringe benefits in footwear manufacturing plants are paid holidays, paid vacations, life insurance, surgical and hospitalization insurance, and overtime payment for all hours over forty worked in a one week period. The majority of plants granted holiday pay even if the holiday fall outside of the workweek. Very few footwear plants have pension provisions. Of these, most of the pension plans were financed partially by the employees."

One week's vacation after one year of service, two week's vacation after five year's, with some provision for prorating vacations for employees with less than one year of service in the prevailing practice in most plants.

"The majority of plants have some provision for surgical benefits insurance financed wholly by the employer, and about half the plants report provision for hospitalization insurance, which in most cases is paid for solely by the employer. Very few footwear plants have a formal provision for paid sick leave except in New York, California, New Jersey, and Rhode Island where such provision is required by state law."

One of the most progressive and far reaching contracts ever to be agreed upon in the history of the shoe industry is the recent contract negotiated between the St. Louis Local 600 of the A. F. of L. Teamsters Union Warehouse and Distribution Workers and the Brown Shoe Company. The contract, agreed to in 1953, runs for five years. Incorporated in it are 2,800 hours of work guaranteed, yearly raises and cost of living pay adjustments plus a requirement for the employer to contribute 7% of the total payroll for welfare benefits. Business Week for January 31, 1953 points out that it is likely that other unions will follow Local 600 in going after similar
long term contracts, if possible with an annual wage clause, hoping
to cushion union members against the impact of a possible recession.\textsuperscript{35}

In presenting its demands, and offering a five year contract,
Local 608 of the Teamster's stressed the advantage for an employer
in freedom from strikes over wages, and a chance to make long range
plans without worrying about recurring labor negotiations. These
factors appealed to Brown Shoe and contributed to friendly bargain-
ing. The Brown Shoe contract does not bar strikes. If a dispute
arises over anything but wages, the local has the right to choose
between arbitration or strike action. In addition to the basic
2,000 hours of work guarantee the new contract adds fringes and re-
affirms old ones (e.g., the company will contribute 5\% of the total
payroll for health and hospitalization programs in addition to 75
of the total payroll for union welfare funds.\textsuperscript{36}

While the contract negotiated between Local 608 of the Team-
ster's and Brown Shoe Company does not affect the shoe workers of
Brown Shoe directly it certainly does have a close connection inasmuch
as it is the continual flow of produced goods from the Brown
Shoe workers which furnishes the basis of the 2,000 hour guarantee
for the warehousemen. With this relation between the continual flow
of goods from the Brown plants and the keeping of a five year past
of guarantee provisions with Local 608, the Boot and Shoe Workers
T. U. of L. of Brown Shoe Company are in an excellent position to
bargain for increased benefits in their own contract with Brown.

Mr. Robert Lape, of Julian and Solange, expressed concern
that the Brown contract may have been the wedge which the union
officials have been looking for to break through the seasonal and
low wage barriers of the shoe industry.

**Experiences in Ohio: Euphoria on Julian and Okenga and Nicaragua**

For the shoe industry in Ohio across the board increases from August 1, 1952 to August 1, 1953 were 1.64 per hour. Hiring rate and progression above hiring rate ranged from 75¢ per hour with no progression to 90¢ per hour starting rate with automatic progression to $1.00 in six weeks. For the shoe industry in Ohio the following provisions were typical of those found in the majority of contracts: six paid holidays, paid vacations prorated under one year with one week paid vacation after one year of service; two weeks after five years, no provision for surgical benefits, no provision for daily hospital benefits, 20,000 worth of life insurance at partial cost to the employee, no provision for pension plans. 37

There are many provisions in the contract between the Julian and Okenga Shoe Company and Local 211 of the Boot and Shoe Workers Union which surpass the average agreements for the shoe industry, and some which do not. Julian and Okenga has a starting rate of 90 cents per hour with automatic progression to 95 cents in three weeks and $1.00 in six weeks. The most widely used starting rate for the shoe industry as a whole is 75 cents per hour with no automatic increases. The national and Ohio average for paid holidays is six, usually open to employees after between six months and one year's service. Julian and Okenga has six paid holidays open to employees on a length of service basis. One holiday with pay after one year of service, two holidays after two years of service, and so on until six years of service have been rendered. After this time the employee is paid for six holidays per year.
addition to this holiday schedule which is the official bargained
schedule which appears in the contract, Julian and Hokema has in-
itiated a company holiday plan which grants all six holidays to
employees, "who have been in the continuous service of our company
for one year." The employee must work either the working day
immediately preceding the holiday or the working day immediately
following the holiday." The Company hopes that conditions gener-
ally, including the company's earnings, will justify the continuance
of the Holiday Pay Plan for many years to come, but in establishing
this Plan the company also wishes it to be understood that if and
when, in the opinion of the company conditions, financial or other-
wise, do not longer justify its continuance, the company reserves
the right to discontinue it.\footnote{38} It is of interest to note that the
Holiday Plan which the Julian and Hokema Company has devised as
a supplement to the negotiated plan is only as good as what most
other workers have incorporated in their contracts. The contract
between Julian and Hokema and Local 241 says this about holidays
for employees, "all employees who have been in the continuous ser-
tice of the employer for one year or more will be paid for the above
mentioned holidays (New Year's Day, Decoration Day, Independence
Day, Labor Day, Thanksgiving Day, Christmas) based upon the aver-
age weekly earnings of the employee according to length of ser-
tice as provided for in the schedule below. The employee's name
must be on the Employer's active payroll during the week in which
the holiday occurs. The holiday must fall within the regular work
week period, Sunday through Friday. Where a holiday regularly falls
on Sunday but is observed by the Employer the succeeding Monday, all
eligible employees will be paid for that day. The employee shall
be paid for such holidays as he or she may be eligible by having
the amount included in the weekly check during the week in which
the holiday falls or is observed by the Employer as hereinbefore
provided. Holiday pay will be based upon the number of years of
continuous service in the employ of the Company according to the
following schedule:\footnote{39}

\begin{itemize}
\item \textbf{1 year}
\item \textbf{2 years}
\item \textbf{3 years}
\item \textbf{4 years}
\item \textbf{5 years}
\end{itemize}

\textbf{Employee shall be paid for 1 holiday}
2 years
Employee shall be paid for 2 holidays
3 years
Employee shall be paid for 3 holidays
4 years
Employee shall be paid for 4 holidays
5 years
Employee shall be paid for 5 holidays
6 years
Employee shall be paid for 6 holidays

Julian and Kokensee lags behind the shoe industry in that it follows a more stringent pattern for the computation of holiday pay in addition to its strict bargaining arrangement for eligibility concerning holidays with pay. Julian and Kokensee pays no holiday benefit for any holiday that falls outside of the regular work week of Monday through Friday. In the shoe industry as a whole more than half of the firms allow holiday pay for holidays falling on any date whether within the work week or not.

Julian and Kokensee has one of the few pension programs in the shoe industry. This pension program, like the employee loan fund, the employee stock purchase plan, and company paid insurance and hospitalization, was not brought to the bargaining table. The pension program came about in 1946 when Mr. Herbert Lape, Sr., Chairman of the Board, decided that the company's earning position justified a pension program. One was designed in which four selected representatives of the union, and four from management have the controlling power. The Ohio National Bank handles the fund on a trust fund arrangement. Each year every employee with over five years of service receives a statement of how much has been placed in his retirement account. Any employee with ten years or more of service, and of 65 years of age or more may draw on the fund. The
amount placed in each employee’s fund is determined on the basis of the length of service of the employee, the total amount earned by the employee in the current year, including bonus payments and vacation pay, and the profitability of the company. The exact share that each employee receives is determined by the aid of a point system. One point is granted to each employee for each $100 earned by him in the current year, and one additional point is granted for each year of service. The total number of points of all the employees is totaled up and divided into the amount of money set aside for the profit sharing pension plan fund. This determines the amount of money each point is worth. Once this figure is obtained it is a simple matter to take the number of points held by each employee times the value of the pension point.

This retirement plan has been in existence at Julian and Okanege since October 31, 1946 and has been approved by the pension trust section of the U. S. Treasury Department. In 1952 Julian and Okanege’s contributions to employee’s profit sharing and pension trust fund plans totaled $4,787. In 1953 $51,083 was paid into the fund. To encourage people to remain in employment any person quitting before retirement forfeits his share of the pension program to the remaining workers.

It is interesting to note that the twelfth provision of the Julian and Okanege and A. F. of L, Boot and Shoe Workers contract reads as follows: "There shall be no stoppage of work through strikes, sitdown strikes, walkouts, or lockouts or any kind of industrial dispute." Provision is made so that should any controversy or dispute arise with respect to a violation of the terms of the contract by either party, the dispute would be submitted to arbitration. The
designates arbitrators proceeds in the same manner as in the grievance procedure. The employer and the union shall designate one person to whom the dispute will be submitted for arbitration. If these representatives fail to agree they shall select a third party whose decision will be binding. Whenever arbitration is provided for in the contract and the designated arbitrators cannot agree on the selection of any impartial arbitrator, within three days from their appointment, either party to the contract may apply to the American Arbitration Association, to designate an impartial arbitrator. The contract further provides, "It is the intent of both parties to adjust all matters that may be in dispute, during the life of this agreement, by negotiations between the parties, rather than resorting to arbitration by outside persons, in the manner hereinbefore set forth. In case these efforts fail in any instance, and arbitration must be resorted to, the parties hereto agree to first submit in writing a statement of the matter to be arbitrated to the General president of the union, or a duly accredited representative, in order that there may be no misunderstanding of the matter at issue. Whenever arbitration is necessary hereunder, the expense of the same, if any, shall be borne equally between the parties hereto."

Julian and Kolenco has a definite policy which it follows in grievance procedure. Foremen are to settle grievances whenever possible. If the complaint cannot be settled on the spot, a grievance slip is provided by the union, and may be filled out and filed in the factory manager's office. When the grievance is reviewed the parties involved may state their case with a representative of both the company and union being the judges. If no decision can be reached the case is sent to arbitration.

The managers of Julian and Kolenco encourage their foremen to settle as many disputes as they can immediately. Robert Lopes feels that one of the problems in factory management is to get foremen to use their own judgment and power in settling problems.
which arose in their departments. Mr. Levy went on to state that if factory foremen would meet issues as they came up, and when they came up, instead of squirming out of problems and putting them off day to day, labor relations in all factories, especially Julian and Hoboken, would be greatly improved.

Local 211 has a union shop agreement with Julian and Hoboken, but there are some conditions which the union must fulfill under the agreement. First, the union, which is now affiliated with the American Federation of Labor, agrees to remain part of the A. F. of L. during the period of the contract. Second, in order for the union to enforce its union shop provision, by forcing new employees to join the union in 30 days after being hired, the union must be able to do certain things. The contract states the problem in this manner: "Upon forty-eight hour’s notice by the union to the employer to shall discharge any worker not a member of the union in good standing, provided that concurrently with such discharge the union shall supply to the employer competent, suitable and skilled shoe workers of the union in good standing to take the place of such persons discharged by the employer at the request of the union." Should the union fail or neglect to furnish the employer with suitable workers within twenty-four hours of demand, then the employer has the right to retain in his employment, or to take into his employment, "such shoe workers as he may find necessary for the purpose of his business." These workers must apply for membership in the union after they have been with the company for four weeks. If the workers are accepted into the union no further problem of employment is present, if, however, the union should refuse men
hership to these employees, then they would be able to remain in employment until the union could find replacements for them which would be satisfactory to the management.

At the present time there are three employees at Julian and Hokange who are not members of the union, and who are allowed to continue in employment. "They are allowed to remain employed because no trouble has ever come up over their being at the plant."

Each year at Julian and Hokange a bonus is paid to employees, at Christmas time, based on the earnings of the company for the previous six months period. The stipulation for this bonus is listed as the tenth point on the contract between Local 211 and Julian and Hokange. Under the agreement the bonus will be paid only if the company decides that the profit position of the firm can allow for such payment. The amount of the bonus to employees is also determined by the company. In 1953 the average bonus paid to employees was $100.50. The company has a policy of declaring a fixed amount for a bonus and then deducting the total cost of the vacation payments provided and also the total cost of the holiday payments provided. Individual shares of the bonus fund are based on the employee's average weekly earnings with the company during the previous six months' period.

Since many of the piece rates at the Julian and Hokange plant require frequent adjustment due to new styling and pattern changes, there is contained in the contract at Julian and Hokange a provision for timing of operations. This provision reads as follows:

"Where timing is required to determine a price of a given operation, such timing shall be done in the factory by the workers of the par-
ticular branch involved. The worker chosen shall be satisfactory to both parties. In the event either side cannot agree to any one particular timer, the employer shall time one of his own choice and the Union shall time one of its choice. The price shall be determined by the average result of the two workers timed. Prices on new work shall be settled within three days from the time it shall be put into work."

This provision in the Julian and Nekenze Local 211 contract represents one of the biggest gains for the union in the entire contract. Dickerson, which has no written agreement, used outside timed averages as a check on the timed work of its employees. The outside check at Dickerson is compared with the inside timed average, and with the national average obtainable from the National Association of Shoe Manufacturers. From these timed averages a price for the operation is determined. In this case, however, two outside sources were used as control checks. In the Julian and Nekenze plant all of the timing is done by workers inside of the factory. No outside references are used.

The vacation provision of the Julian and Nekenze contract is another instance where the negotiated agreement is not the same as current practice at the factory. It is current practice under the Company Vacation Pay Program to grant one week's vacation with pay, five days pay, to all employees who have been with the firm for one year or more up to but not including five years service. Employees with five years service and more receive two week's vacation with pay. Under the contract terms all employees who have been in the employ of the Company five years or more shall receive two days more
than a week's (5 days) pay. All employees who have been in the em-
ploy of the company ten years or more shall receive five days more
than one week's pay.

Bargaining Trends Outside the Shoe Industry

At the present time there is a case up before the National
Labor Relations Board which may have a direct influence on the type
of bargaining that has been on the scene for many years at Julian
and El Monte. The case stems from the Richfield Oil Corporation of
Los Angeles, California. The C. I. O. Oil Workers Union has asked
the Federal Government to decide the key question of whether em-
ployers must bargain with unions on employee stock purchase plans.
The answer to this problem will greatly influence the extent of em-
ployment's obligation to bargain over pensions, insurance, and other
fringe benefits. The Oil Workers are charging Richfield Oil Corpor-
ation with violating the Taft-Hartley Law by refusing to bargain
over the terms of a stock purchase plan for Richfield employees.14

The Richfield Corporation spokesmen insist that its stock plan
is not bargainsable. If the company should be forced to bargain on
this issue, Richfield added, "then all employers will be under com-
pulsion to withhold such offers, to withdraw any offers heretofore
made, and to resist all demands for the establishment of such plans."
"To uphold the claim of the oil workers would be to invite a flood
of new bargaining demands raising countless new problems and pre-
senting an insoluble puzzle of where and when to stop," the com-
pany contended.

Lindsey P. Walden, Oil Workers general counsel, rejected this
contention. He said that stock purchase plan once is much like the
"Inland Steel Company case" in which the Supreme Court refused to review a circuit court ruling that employers must bargain over pension programs. 15

Should the National Labor Relations Board decide that Richfield Oil Corporation must bargain over its stock purchase plan, then any of the benefits that are in effect at Julian and Kelkange on a "non-bargain basis" probably will be influenced. If the present benefits are not removed by the company, it would seem that when the contract is reopened in December of 1953, that the union would be in a good position to demand that those "non-bargain" benefits be incorporated into the bargaining agreement on a bargain basis. If, in the light of the Richfield case, the Julian and Kelkange company should decide to withdraw the benefits it has given to its employees, it seems likely that the union would come up with demands of its own which would bring about the restoration of some of the benefits removed. This is something that will come up in the future, if not on account of the Richfield case, by some other action.

The Dickerson Plant

Dickerson Shoe Company would face a similar problem if it were unionized. Because it is not unionized at the present time all of the benefits which the workers have are a result of what is called "enlightened management." It is very questionable as to how many of the benefits at Dickerson were instituted by reason of reward to the workers for their workmanship, and how many were granted to offset the threat of unionism at the factory. Dickerson employees receive approximately the same wage rate per hour as the unionized
workers at Julian and Kokange, with the exception of the new employees at Dickerson, who may start as low as 75 cents per hour with progression on an individual merit basis as opposed to 90 cents per hour and an automatic progression to 81.00 per hour in six weeks at Julian and Kokange. Dickerson employees who work by the piece have no actual part to play in the setting of the piece rates under which they work. It is true that these employees can express their dislike of certain rates, but they do not have the significant role of acting as times for their own work, as the Julian and Kokange employees do, and thus have no part in the setting of the rates as such. All these employees can do is to keep on disagreeing with rates that are set until a satisfactory rate is reached. In all fairness to the Dickerson organization it is well to say that retiming of operations is always done on the request of a production worker. Naturally if the company should feel that a certain rate is no longer within reason, because of changes in the methods used which make the job easier and faster to do, then the company reserves the right to have the operation retimed and another rate set. The workers at Dickerson would certainly be in a stronger position to voice opposition to piece rates if they were unionized. The rates at Dickerson do compare favorably with the ones at Julian and Kokange, with the exception that Julian and Kokange's employees are able to earn more total wages than Dickerson workers, because of a higher production base from which to work.

Dickerson employees have no pension protection for their old age. This is typical of the vast majority of show workers. When Mr. Dickerson was asked about the pension plan at Julian and Kokange
he stated that he didn’t think that it was a good plan. First, of all he said the size of the benefits were too low to really do any good to the workers. In essence Mr. Dickerson thought the Julian and Kokange Pension Profit Sharing Program was a hoax put over on the workers by the Julian and Kokange managers. Mr. Dickerson stated that his plant had no pension program because it could not afford to initiate one which would be of the caliber that would really benefit the workers. “Until the time that we (Dickerson) can afford an adequate pension program I think that the company and the workers both are better off by far to have no pension plan. Any type of a plan but one which will supplement Old Age and Survivors Benefits to the point where a worker can live in a decent manner is a hoax on the workers.” Mr. Dickerson concluded by stating that to initiate a plan which would grow over the years, like the one at Julian and Kokange, would be doing an injustice to the workers who had worked for the company for say twenty years and would retire in the next five or six years. He believes that unless a firm can initiate a plan which can take care of the immediate needs of the workers in its plant who are ready to retire immediately, then the firm will be better off with no plan at all.

From a morale factor it seems only reasonable to believe that workers would rather have some type of pension plan in evidence in the plant where they spend a great part of their time, than to have no plan at all. A small pension plan has the chance of growing over the years. Eventually those who are just now joining Julian and Kokange have a great chance of building up a sufficient fund for themselves before reaching retirement age. They would not have this
opportunity if there were no pension program in the factory at the present time.

**Comparative Turnover and Bonus Figures**

A good indication of how satisfactorily plant operations are handled is the turnover rate in a factory. The *Monthly Labor Review* gave the following list per hundred employees for the state of Ohio:

<table>
<thead>
<tr>
<th>Turnover Rate Per 100 Employees</th>
<th>December 1953</th>
<th>November 1953</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quit</td>
<td>2.7</td>
<td>2.1</td>
</tr>
<tr>
<td>Discharged</td>
<td>2.0</td>
<td></td>
</tr>
<tr>
<td>Laid Off</td>
<td>0.6</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1.0</td>
<td></td>
</tr>
</tbody>
</table>

*Total accession for 1953
3.5—3.6 per hundred employees per month or 42.0
to 45.6 per hundred employees per year.*

Julian and Sokenge had the following turnover schedule for 1953:

<table>
<thead>
<tr>
<th>Turnover Rate Per 100 Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dickerson Shoe Company has a turnover rate of:</td>
</tr>
</tbody>
</table>

30 workers left the employment of the company out of a total workforce of 330 (average for 1953). This represents a 3.3% total accession per hundred employees per month for 1953, or 3.96 per hundred employees per year.

Both Dickerson and Julian and Sokenge had turnover rates during 1953 which were far below the average for Ohio industrial plants.
The two firms account for a large measure of their turnover by pointing out that most of the workers who leave are the young, inexperienced employees, who are earning minimum wages in both factories. Both firms seldom lose employees who have been with them for five years or more. Julian and Lokenge did lose a purchasing agent who had been with the firm for a large number of years, but this individual left because he wished to enter his own business, and not because of conditions at the plant.

By far the largest reason for quitting at both plants is given as "low wages" or "lack of a reasonable chance to advance." On the whole the nucleus of skilled employees around which the major portion of operations are based remain well fixed with a firm once these workers have gone through their period of apprenticeship.

The bonus figures for both Julian and Lokenge and Dickerson are the following: 49

**Julian and Lokenge**

$62.50 paid at Christmas 1953. This Christmas bonus paid to Julian and Lokenge employees represents the equivalent dividend payment for the year on 50 shares of common stock in the firm.

**Dickerson**

5% of total wages paid on six month basis. The average shoe workers' salary being $30 per week for 1953-54 the Dickerson bonus would amount to $130 per year or $65 for a six month's period. In 1954 a 3% bonus is being paid at Dickerson. In addition to a six month's bonus Dickerson employees are paid a weekly bonus based on increased production. In 1954 the weekly bonus has averaged 5%.
CHAPTER FIVE

Conclusions
In reviewing the labor-management relations scene in the shoe industry in Columbus, Ohio, as exemplified in Julian and Kok ense and Dickerson Shoe Companies, several interesting phenomena can be noted. The workforce at both factories is complacent. In the unionized factory, Julian and Kok ense, there has never been any strike action or prolonged contract bargaining. The members of Local 241, at Julian and Kok ense, seem convinced that what they do not demand from Julian and Kok ense has as important an influence on labor relations as what they can gain. For the moment the A. F. of L. Boot and Shoe Workers Union Local 241 can see no further concessions that can be won from Julian and Kok ense. The union members at Julian and Kok ense find themselves in an unfavorable bargaining situation due to the position of the firm in the industry. Julian and Kok ense is one of the few remaining independently operated producers of women's shoes in the high-price line. Many of the firms were formerly in this field are now coordinated under the ownership of International, General, and Brown Shoe corporations. The workers at Julian and Kok ense must attempt to hold up their wages as much as possible while not forcing the company out of the competitive market. For this reason bargaining at Julian and Kok ense is on a very sensible basis. The union officials understand the position the company is in and do not demand excessive amounts for the services of their union members. In such a situation the union is holding the company in the competitive market by the negotiation of sensible agreements, while the company often goes above the contract and grants extra "fringe" benefits and bonuses to its employees when profitability allows such action. From the union standpoint these company bonuses
are really "earned" by the workers through higher productivity at rates of pay which are not comparable with other general manufacturing industries. Thus company bonuses only concede to the workers that pay which would be theirs if they were to demand and receive a better wage structure through collective bargaining.

Such the same situation prevails at Dickerson Shoe Company. The workforce has a twenty-four year no strike record. The main difference between Julian and Kokange and Dickerson Shoe plants, from a labor relations standpoint, is that Dickerson is unorganized and Julian and Kokange is organized, and Dickerson has no pension program while Julian and Kokange has had a pension plan since 1956. Dickerson Shoe Company will probably be a long time in setting up a pension program for its employees, if one is ever to be in operation at that company. Owen Dickerson has stressed that he believes his workers are better off under no pension plan that they would be under one which would fool them into thinking that they could eventually retire, while providing only $2500 lump sum maximum benefits to any one employee.

Mr. Dickerson was referring specifically to the Julian and Kokange Pension and Profit Sharing Program which at this time has grown to a $2500 lump sum maximum for employees of retirement age. This figure moves up each year depending on the profitability of the firm. It seems reasonable to assume that a small company has no other alternative than to start a small pension program that will grow or fall with the business, if that company ever intends to have a pension program. "Dickerson Shoe Company finds itself in a position where any type of pension program, worthy of the name, would
be prohibitive to the company because of the financial strain it would place on the working capital of the firm." (Statement by Owen Dickerson). It is questionable whether Dickerson Shoe Company's officials are sincere in stating that they would, "like to start a pension program for their employees, but find it impractical to do so." If this were really the case it would seem that a plan similar to the one at Julian and Morey's could be worked out for Dickerson Shoe Company, which would involve no more additional funds than are already being paid out in the form of company bonuses. In 1953 the average bonus per employee at Dickerson was $1,30. If the company had paid $60 bonus to its employees instead of $1,30, it could then have added $70 to each employee's pension plan account. This seems like a small amount, but in twenty or thirty years employment with a company such an account has a good chance of growing into a sizeable sum. This is especially true if the pension plan is open only to employees who have at least a certain minimum number of years service with a firm. (i.e.) At Dickerson an employee with only one year of service is eligible for the company bonus payment. If this eligibility were to be changed to one year for one-half of the bonus payment and five years for the rest of the bonus payment in the form of a pension plan, then such a pension plan fund would have a greater chance for more rapid growth. The reason for this is that most of the labor turnover at Dickerson is in the ranks of employees who have less than five year's service with the company. If the latter half of the bonus were to be withheld from employees with less than five year's of service, then all those who left the employment of the company prior to their five year service, or retirement age,
would forfeit half of each year's bonus to which they were entitled to the pension fund plan to be shared in by the workers who remain with Dickerson to retirement age. This provision would give such a pension program chance for more rapid growth, and give greater reward to employees who have given more years of service to the organization.

Both factories are family owned. Dickerson is completely family owned and Julian and Loheng is family controlled and family owned to a very large extent. This situation makes it extremely difficult for any one outside the family owner class to rise very high in position in either plant.

There is a great feeling of loyalty and thankfulness on the part of Dickerson workers to the Dickerson family particularly for Walter T. Dickerson and Owen Dickerson. Julian and Loheng employees also have a great feeling of admiration for the members of the Lape family who have carried on in the shoe business at JEC. For this reason a paternalistic atmosphere still reigns supreme in both plants. The workforce in both factories believe that they are receiving fair and equitable treatment from both concerns. The fact that these workers are making forty cents an hour less than other general manufacturing workers does not seem to deepen their loyalties to each concern. One reason for this may be that over half of the Dickerson and Julian and Loheng employees are over forty-five years of age. For this reason, and because many of these same workers are skilled shoe workers, who could not easily be absorbed into industrial manufacturing on the same level of work, there are limited opportunities for these workers in the Columbus area for similar employment elsewhere.
The turnover rates of both Julian and Hokenga and Dickerson shoe companies reflect the favorable conditions of employment that exist at both factories. Dickerson Shoe Company has a turnover rate which is almost twice that of Julian and Hokenga. This fact does not mean that overall conditions of employment are superior at Julian and Hokenga. Dickerson's higher turnover rate does show the influence of a seventy-five cent per hour beginning wage for non-skilled employees. Julian and Hokenga has a ninety cent minimum with progressions to $1.00 per hour in six weeks to sixty days depending on the job. This comparatively low starting wage at both plants can be cited as the main source of turnover trouble. Very few skilled employees leave employment at either plant. The main reason for this is that the wages earned by skilled shoe workers compare more favorably with those earned by skilled employees in general manufacturing than do the wages of unskilled shoe workers as compared to unskilled labor in general industrial manufacturing.

The Holiday Pay Plan and Stock Purchase Plan at Julian and Hokenga, both of which do not appear in an desirable a form in the contract agreement between the company and Local 241, reflect the weakness of Local 241 as a bargaining agent, and show the close relationship between owners and employees. The close relationship between owners and employees at Julian and Hokenga was especially evident during the second world war, when wages were frozen the management of the company and union officials met together to devise ways whereby the high profits of the firm could be passed on to the employees. These measures were not made part of any bargained agreement but were left to the discretion of the company managers as to
when they should be put into force, and when they would terminate.

Even today at Julian and Kokense the contract between the company and the Boot and Shoe workers does not represent the practices which are in force in the plant. It may be said that the contract acts as a minimum base from which the management upgrades policies on wages, vacations, pensions etc.

Work at both Julian and Kokense and Dickerson is not physically difficult for the most part. Most of the operations require a well-developed sense of coordination, but very little lifting or actual physical effort. Working conditions are pleasant and the hours of employment allow all employees to lead normal lives, only one shift is run at each plant; this eliminates many of the adjustments in living habits which workers who work the second and third shifts in other industrial factories must make.

The long history of quiet years of peace on the labor scene at both plants is a tribute to the working force and that management of Julian and Kokense and Dickerson. The fact the many employees at both Dickerson and Julian and Kokense have been with these respective firms for over ten, twenty, and in the case of Julian and Kokense thirty, and forty years, further attests to the fact that both plants provide decent employment at relatively good wages.
1. Courtesy of the Advertising Department of Julian and Kokenge Shoe Co., 232 S. Trent St., Columbus, Ohio. From a paper on the History of Julian and Kokenge.

2. Ibid.

3. Ibid.


6. Ibid.

7. Ibid.


10. Interview with Owen Dickerson, president of Dickerson Shoe Co., April 1, 1954.

11. Ibid.


17. Accounting office records of Julian and Kokenge.


21. From the personal files of Julian and Kokenge Shoe Company.
22Columbus Dispatch August 2, 1953, p. 1A.


24Payroll Department of Dickerson and Julian and Kokanga Shoe Companies

25Payroll Department of General Motors Ferntsted Plant in Columbus, Ohio and payroll department of Dickerson Shoe Company.

26Interview with Ollie Neuh, president of Local 211 Foot and Shoe Workers Union of A.F. of L., March 21, 1951.


28Accounting Department, Julian and Kokanga Shoe Company

29Job Evaluation Series, personnel files of Julian and Kokanga Shoe Co.

30Tbid.

31Interview with Mary Jenner, recording secretary of Local 211, March 18, 1951.


34Tbid.

35Business Week, January 31, 1953, p. 130.

36Tbid.


39Agreement between Boot and Shoe Workers' Union and Julian and Kokanga Shoe Company, p. 4.


42Tbid. p. 7.

43Interview with Robert Lape, March 17, 1951, Vice President of Julian and Kokanga.

44Wall Street Journal, Friday April 9, 1951, page 2.

45Tbid.
47 Interview with Robert Kern, factory controller for Julien and Kokenge, April 21, 1954.

48 Interview with superintendent Friend of Dickerson Shoe Company, April 20, 1954.


Agreement Between the Boot and Shoe Workers' Union Local 211 A. F. of L. and the Julian and Kokenga Shoe Company of 200 South Front Street, Columbus, Ohio.


Business Week. February 28, 1953

Business Week. February 11, 1953

Business Week. January 31, 1953

Columbus Dispatch. August 2, 1953

Holiday Pay Plan of Julian and Kokenga Shoe Company. November 1, 1953


