

# Townpeople Win Stock Fight With Big Finance, Keep Firm In The Family

By BRUCE AGNEW  
 BINGHAMTON, N.Y. (UPI)—Some people had to sell apples to keep alive, but not Helen Balanda.

They kept her on the job during the depression, even though they probably didn't need her. They paid the doctor bills for Epifanio Bevelacqua's mother through an illness that lasted 32 years.

They did things for thousands of others, too, and in many cases for their fathers, grandfathers and great-grandfathers before them.

So it is not hard to understand why the people of the "triple cities" — Binghamton and neighboring Johnson City and Endicott — refused to stand by idly when they suddenly had a fight on their hands.

They in reality stands for just one thing in this hilly, wooded part of New York State — for the Endicott Johnson Corporation, second largest shoe manufacturer in the nation (the largest: International Shoe Co., of St. Louis). It has been managed for three generations by members of a single family, and folks speak of it simply as "E-J."

So when a big New York City company began buying up huge blocs of E-J stock early this month, people of the three cities took it as a serious threat by outsiders to end hometown control of E-J. And that meant war.

This is the story of that fight, which E-J and the townspeople won last Thursday when President Albert A. List of Glen Alden Corp. announced the holding company will sell back the E-J stock.

## Merchants Pitch In On Harvest

EL CENTRO (UPI) — Imperial Valley businessmen, who said they would help harvest the crops of strike-plagued growers "if we are needed," kept their promise Friday when they went to work in a Brawley packinghouse.

Sixty members of a citizens committee formed by an El Centro attorney to harvest lettuce took over at the D'Arrigo Bros. packing shed for union workers who walked off their jobs Wednesday in sympathy with picketing field workers.

Domestic laborers, spurred on by organizers of the United Packinghouse Workers of America and the Agricultural Workers Organizing Committee, have struck 15 valley ranches attempting to gain union recognition and a 35-cent-hourly wage increase.

Sheriff's deputies stood by as the volunteers, members of a citizens committee formed by Howard Jackson to help harvest the valley's \$18.5 million lettuce crop, crossed picket lines. There was some verbal clashes but no physical violence.

## Garcia Extolls Island Economy

MANILA (AP)—President Carlos Garcia today painted an extremely rosy picture of the Philippine economy in his annual State of the Nation address to the opening session of the Congress.

Garcia said dollar reserves in 1960 had reached a new high of some \$200 million, that the nation had a favorable balance of trade, that employment was up to about nine million persons and that the gross national product had grown at a rate of 6 per cent in 1960.

It had been accumulating. The people of the triple cities are excited and proud of victory—and a little amazed, too.

Certainly some of the fervor that went into the battle came from self-interest, from a fear the "outsiders" might shut down some of E-J's 27 plants and wipe out jobs.

But anyone who has talked to the townspeople can tell you that E-J was helped by an invisible asset that was never listed in the company's annual report to stockholders. That asset was goodwill—a fantastic and even fanatic goodwill in the three cities toward a corporation whose policies have won it something between devoted affection and downright love.

This was pretty much a stock market war, and it is very likely that many of the 130,000 citizens of the triple cities never fully understood the complicated strategy. But that didn't stop factory workers, policemen, schoolteachers, small businessmen and even 13-year-old Ed Wachtman from coming up with what was needed—money.

They dug into savings accounts, cashed bonds, took out loans and pledged millions of dollars to buy stock in their company. Suddenly, E-J is more of their lives than it ever was before, and that is the way they want it.

Most of E-J's 27 plants are concentrated in the triple cities. They are small industrial complexes surrounded by houses that ridge the rolling hills. Even in the central business district of Binghamton, tree-covered hills without a building on them seem to be within easy walking distance.

Fifteen thousand persons in the triple cities work at E-J plants—about a third of the area's total industrial employment. But Endicott Johnson and the Johnson family have grown to mean much more than a paycheck or a boss.

"My dad worked for E-J for 42 years. He's retired now, he's 78. E-J pays all his medical bills, everything. My mother, before she died, was sick for 32 years. E-J paid her medical expenses. I'm sure it was over \$25,000. That's why Epifanio Bevelacqua, 40, of nearby Vestal, a leather cutter, bought nearly \$800 worth of stock—25 shares.

A World War I veteran remembered even further back.

"You can't imagine what it was like after World War I," said H. Clair Sturdevant, 65, of Binghamton. "Men were starving, selling apples, standing in line at soup kitchens, everything else. But E-J was one of the few companies in the country that gave every soldier his job back when he got home."

E-J also gave \$15 a week to dependents of employees who went off to fight.

Sturdevant's veterans of World War I barracks (666) put up \$400 for stock.

Mrs. Helen Balanda, 61, who lives on North Arthur Ave., in Endicott, works at an E-J plant pushing leather through a machine that levels it to a uniform thickness. Her husband, Mike, works at an E-J tannery. Mrs. Balanda smiles a lot, and when she does her eyes crinkle behind her glasses.

"In the depression, everybody had work," she recalled. "Maybe two, three days of work a week, but steady work. No layoffs."

During the depression, George W. Johnson, son of the company's builder, also handed out free shoes to every child in the triple cities. And if an unemployed man needed medical care, he got it.

Helen and Mike Balanda put \$1,000 of their savings into stock.

Endicott Johnson has given the triple cities parks, playgrounds, recreational centers, libraries and a golf course. It has built homes, and let workers buy them on long-term, low-interest loans. In

1920, its employees raised funds to build two stone arches at the entrances to Johnson City and Endicott. Carved on the arches is: "Home of the square deal."

In the first week of this year, all this was threatened. The Glen Alden Corp., a New York holding company which controls a wide range of companies, bought a large bloc of stock from an Endicott Johnson director and offered to buy additional stock at \$30.50 a share.

In the triple cities, there was one conclusion — Glen Alden was trying to take over E-J. There were many fears — that Glen Alden would close the shoe company, which had lost money in 1960 for the first time in years; that Glen Alden would close some of the plants; that it would discard pensions and benefits, and stop caring about the workers.

Almost no one knew what to do. "They were all puzzled," said Joe Christina, 50, of Endicott, a big-boned man with a lined, leathery face who has worked at Endicott Johnson since he was 16.

"People didn't know — they couldn't understand how the Johnson family didn't have 51 per cent."

Christina and three other workers met with a lawyer, and he suggested a petition to authorize the company to use \$10 million of the more than \$50 million pension fund to buy stock.

Monday morning, the start of the second week, the four-man committee called a meeting of about 200 workers representing every plant.

"They didn't even know what it was about," Christina said. "All they knew was we had to get out of this somehow. We told them if we can't help ourselves, there's nobody who can help us."

The 200 had questions the four-man committee couldn't answer. So they telephoned Frank A. Johnson — 52-year-old grandson of founder George F. Johnson and the fourth of his family to run the huge company — and asked him to come over and talk to them.

Johnson came over, and with that appearance he began a hectic week that took him into every plant, to explain what was happening, to answer questions, and to tell his people why he felt his already-begun plans for modernizing, for new styles, for new sales techniques, promised a good future for the company.

"I never asked them to buy stock," said Johnson, a big lean man with thinning gray hair who runs instead of walks up the stairs to his second floor office in the original Endicott Johnson plant.

"I wouldn't ask anyone to buy stock. That was their own idea."

But Johnson did tell them, "This is the worst thing ever to face Endicott Johnson." And the workers, who call him "Young Frank" and shout hello to him on the street, believed him.

While Johnson visited the plants, the key task of mastering the stock market campaign and organizing a drive to buy \$5 million worth of stock was carried out in a small building in Endicott, across the street from an E-J recreation center.

Wayne Cawley, tall, 43-year-old owner of an electronics company, had organized the committee from the three Chambers of Commerce during that first confused week. He sat down behind his long wooden desk and began littering it with papers the following Monday, Jan. 9.

Three phones sat by his left hand, one a direct line to New York. They rang constantly.

During the first two days, committee members made phone calls all over the country, asking Endicott Johnson stockholders to keep their shares and support the Johnson family.

They placed ads in newspapers and on radio and television, and distributed thousands of campaign buttons reading, "All the way with E-J." Children loved the campaign buttons. So did everyone else.

With the aid of two investment counselors from New York, they began buying E-J stock, slowly, and balancing to keep the price stable.

Jobs — like mowing lawns and shoveling snow.

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"I cashed in two bonds to buy the stock," he said. "I've got enough to buy another share now. I guess I will, too."

The big buyers and the little buyers were all welcome. Individual, parent-leached groups, private clubs phoned or sent delegates to the committee headquarters. A furniture store offered a share of stock with every \$200 purchase. In Wayne Cawley's office, the phones kept ringing.

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In the middle of that week, E-J supporters won a court order that stopped Glen Alden from buying the stock. Then the petitions came in, with the signatures of 8,200 workers asking that pension fund money be put into E-J stock.

Friday night, the triple cities celebrated with a torchlight parade. Only seven days before, they had been confused and worried. Now they felt they were winning.

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stockholders were "friendly," Glen Alden, at best, had 10 to 12 per cent.

"I think we're home free," he said. "I hope."

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