

# Herbert Retzlaff

SR 1311, Oral History, by Clark Hansen

Fred Meyer Oral History Project

1989 February 15 - March 1

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RETZLAFF: Herbert Retzlaff

CH: Clark Hansen

Transcribed by: Unknown

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## Tape 1, Side 1

1989 February 15

CH: With Herbert Retzlaff at his home in Portland, Oregon. The date is February 15th, 1989. This is Tape 1, Side A. The interviewer is Clark Hansen for the Oregon Historical Society.

[Tape stops]

Well I thought we might start by first your telling us your full name and where you were born and when.

RETZLAFF: My name is Herbert Retzlaff. I was born in Germany on the Baltic in what was then Königsberg, which is now part of the U.S.S.R. [Union of Soviet Socialist Republics] and is named [Kaliningrad]. My father was an engineer officer in the German Army, and because of this background, he was transferred a great deal. In my early years, I went to school in many parts of Germany.

CH: Did you have brothers and sisters?

RETZLAFF: No. I'm an only child.

CH: And your mother was she in any occupation herself?

RETZLAFF: No, no. The first school I went to was in Alsace-Lorraine near Strasbourg, where they speak a so-called patois, which is half French, half German.

CH: And did your father remain in the German Army at the time?

RETZLAFF: Well, yes, my father had to retire quite early because he was ill. He died in 1916, but he had to retire before even World War I. He did not take part in World War I.

CH: Did he have any political affiliations?

RETZLAFF: Political?

CH: Was he involved in any German politics or did he have any particular interests at the time?

RETZLAFF: No. As a matter of fact, as a member of the armed forces, they didn't take part in politics in those days. These were the days of the Kaiser, mind you. So in fact, I remember as a youngster seeing the Kaiser visiting Königsberg, and I remember his riding down the street in a horse-drawn carriage with a lot of pomp and folderol. [Both laugh] It was quite....

CH: Did you tell me before that the rulers originally came from that part of Königsberg, in that part of Germany?

RETZLAFF: Well Königsberg was the traditional place where the kings of Prussia were crowned. *König* in Germany means king, and *könig* is the German word for king. Königsberg is the city where the philosopher Kant lived. And my mother's maiden name was Zollern and the family name of the Kaiser was Hohenzollern. So my mother's brother was a colonel in charge of a regiment in Silesia in Germany, and when the Kaiser came to visit and inspect that regiment, he always called on brother Zollern. The name, the family name was Zimmerlo. Hohenzollern just means "high Zollern." That is the name of the castle where it came from originally and Zollern is just without the "high." [Both laugh]

CH: Were both parts of your family, your mother's side and your father's side, from the same part of Germany then, in the Baltic area?

RETZLAFF: Well, yes, my father came from Stettin, which is on the Baltic — I don't know what the current name of Stettin<sup>1</sup> is — then after the First World War became part of Poland, was part of the Polish Corridor and it's now Russian.

Well, my mother came from Königsberg. Her father had a wholesale wine business, and he dealt with — did quite a lot of business with Sweden and England, and it was quite a flourishing business. And my father's brother had a business that dealt with Sweden. They sold what is called feldspar to Sweden. I don't remember if they bought the stuff from Sweden to Germany or vice versa. [Laughs]

CH: Feldspar?

RETZLAFF: Yeah, it's a raw material used in spar, well, like spar varnish, you know. I'm not sure now.

CH: But in any case, this was the very northeastern corner of Germany that became Poland.

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<sup>1</sup> Stettin is now known as Szczecin, Poland.

RETZLAFF: Well, Königsberg, yeah, it's very close to Riga. Riga is where they now have the trouble, Lithuania, where the Russians have — where there is a movement to break away or gain more independence from Russia.

CH: So it's actually part of Lithuania now, that area?

RETZLAFF: Well, no. Lithuania was always Lithuania, and this was East Prussia. They are adjoining.

CH: And today in the Soviet Union — it's in the Soviet Union?

RETZLAFF: Oh definitely, yes. As I was saying, it is now named [Kaliningrad]. The town Königsberg is now named [Kaliningrad].

CH: And when they annexed that from Poland, did they make it part of Lithuania then?

RETZLAFF: I don't know what the border distinctions are now. No they didn't, the Russians didn't annex it; they just took over. I mean all of the East German country and Poland became part of the U.S.S.R. Well, I guess then it did gain some degree of independence within the U.S.S.R., but it was all strictly in the Soviet orbit.

CH: So at what age did you go down to the Alsace-Lorraine area near Strasbourg?

RETZLAFF: Well, as I say, this was my first school — public school. Well, not entirely, no. I went to a private school in Königsberg, but I must have been probably — wait a minute. I was born in 1903. This must have been in — this was all before World War I, probably all 1910 and 1911, in those years. So I as seven, eight years old, something like that.

CH: And you were there for about how long?

RETZLAFF: Well, not very long. As I say, my father moved around a lot. He had to do work with — inspect various fortifications. These were German fortifications on the French border. And then from there we went to Strasbourg and then also near the town of Metz,<sup>2</sup> which I don't know what the French name for it is now. And then for a while we lived in Ulm, which is in southern Germany in the state of Wittenberg. And we lived there for a short time, less than a year. And I think that's the time when my father retired from the service because of illness.

CH: So you were, then, in primary school in Ulm as well? Or was this later then?

RETZLAFF: No, yeah. My father died and we went back to Königsberg. We moved back to Königsberg and then the war broke out. First — I've got to get these dates straight.

Yeah, this was the First World War, and this must have been 1914 then. And my father was retired by then, and we had to leave Königsberg. There was a rule that all military or ex-military personnel in case of war had to be evacuated from the border provinces. So we got into a refugee train and went from Königsberg to Berlin and that was a long — normally, that would have been a rather short journey, but this took us the better part of a week because we were sidetracked for hours at the time because troop trains were going back from the central German part to the eastern border. That's when the Russians overran the border and invaded East Prussia, so they rushed a lot of troops to there, to East Prussia, and we finally ended up in Berlin.

And then the — that is when General Hindenburg went to — was called back out of retirement and put in charge of the eastern armies in Germany, and there was the Battle of Tannenberg, which decisively defeated the Russians, and chased them over the border, and we went back to Königsberg, our family.

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<sup>2</sup> Metz is still known as Metz, France.

CH: Could you describe for me what ideas or experiences had an impact on your view of the world around you during that time? Maybe you could describe for me your moments of awakening to the larger world?

RETZLAFF: Oh, I don't know, I mean, we always — our family was well aware of and conscious of the outside world. In other words, the business of my grandfather was partially foreign business, and he and his wife, my grandparents, traveled a great deal. They had traveled through — been in Hungary and Switzerland and Italy, and they traveled a great deal in Europe, so the outlook of our family was certainly not provincial. And my mother had lived in England as a young girl for a while, and in Paris. In fact, her younger sister lived in Paris for a long time. I think that had to do with some unfortunate love affair of hers, but I don't know too much about that. But I mean there was always an international contact and atmosphere, and so that I always was aware of the world outside.

CH: When you think back over your early childhood, was there any particular incident that you recall that really made you think of events happening outside of your immediate family life, something that...

RETZLAFF: No, I really don't, and for the reason I just told you, because the outside world was always brought up in our conversations and our thinking and our reading, so I can't think of any single thing that would make me more conscious of it. No.

CH: So what did you start studying, then, in school? You went to secondary school?

RETZLAFF: Well...

CH: Gymnasium?

RETZLAFF: Yes, I went to a gymnasium. This was a so-called humanistic gymnasium. There were two types. There was a humanistic gymnasium and a real gymnasium. The humanistic emphasized, as the name implies, languages and...

CH: Philosophy?

RETZLAFF: Philosophy and humanistic subjects as against the more realistic subjects. However, it wasn't such a decided demarcation. I mean, we had math. We had a great deal of math. Maybe that was emphasized a little bit more in the real gymnasium. But the gymnasium were the public schools. It was — a gymnasium was the boys' school, and a lyceum was the girls' school. It was strictly boys and strictly girls. There was no coeducation, at least not in those schools.

So, and in this little, well — okay, when the war broke out and we had to leave East Prussia, I said we ended up in Berlin and my father had to go there into a hospital because he had a — was quite ill. I think he had a heart attack. But we went on to Riga where we stayed with the family of a fellow officer of my father's, and where I then went to school and where they had this gymnasium that I'm talking about. There was only one gymnasium. There wasn't the question of going to this or that, but that was it.

And the gymnasium starts with — the classes are — and these are Latin names again: *quinta*, then *quarta*. There is upper and lower *quarta*. That's three years. Then *tertia*, that's the third. That's two years upper and lower, so that's six years, isn't it? Then *secunda*, upper and lower, the second, and then *prima*, which is the last two years.

So in — we started with Latin, and you have Latin all through school. I mean you start with the elementary grammar and that sort of thing, and then you end up by reading Overton. One of the elementary texts was Julius Caesar's *De Bellum Gallicum* [*De Bello Gallico*], Caesar's campaign into Gaul, the Gaelic, when he went and conquered France and then over to England. You know, the Romans had a wonderful organization. [Laughs] Even in those days.

CH: So do you think you drew upon this experience in your later education?

RETZLAFF: So, we dwelt a lot on languages, and then the next language was French. And then we had Greek, and these continued all through, and didn't come to English until the last six years, I think. So that was the curriculum in the real gymnasium. They would have emphasized the modern languages a little more against the classic languages. But we had to read Homer and the original *Iliad* and the *Odyssey*, and so on. [Laughs]

CH: That's quite an education.

HR: Well, I think it is a good education, yeah, it's — you know, nowadays there is a trend that even in business they prefer liberal arts graduates because they have to learn to think more for themselves than just a technically, strictly technically-trained specialist. So this was a liberal arts college.

CH: So did you go to university, then, in Germany as well?

RETZLAFF: Well, yes. I spent — I went to Munich, in western Munich for three or four years just before I came here.

CH: What was your major there? Did you have a major at the university that you focused on?

RETZLAFF: Yes, I — well, I wanted to be an architect, and I started in the first year. I remember I had to take a class in drawing, you know, where you do nude models and so on, and I thought that was just fine, but then [Both laugh] I did realize, those were the days of the inflation and it became pretty discouraging. And I decided I better get into business, so I switched to business subjects and majored in business.



CH: You mentioned the inflation that was going on at the time. How was this impacting your life and your family and your surroundings?

RETZLAFF: Well, it impacted — well, my grandfather was quite a well-to-do man. My father wasn't. I mean, he had a pension as a retired officer, but that never amounted to that much, and, of course, he died early. My mother — my grandfather also died in 1915 or so. So he left a substantial estate, but that was invested in bonds. You know, the safest investment supposedly in those days was bonds which gave a good return, but inflation, of course, nobody had envisioned that. So inflation — I hope this thing is — wiped that out very, very, very fast, so I was very discouraged.

I tried to get jobs outside the country. I figured, well, you better get out of here. And I had feelers in Italy, and I had some feelers in South Africa. I don't know how I got those contacts. And fortunately they didn't work out.

So one Christmas I went home to visit my mother in this little town in Germany. She still lived in that town where I had gone to school. And there I met the brother of a good friend of hers. And I remember we took walks together, and I talked to him. And he was very rusty in his German and I didn't talk much English, but we got along alright. And he, I guess he liked me, so he said, "Well."

And I said, "I'd like to get out of here."

And he said, "Well, why don't you come to America? I'll give you a job in my office. You won't want to stay there, but it'll help you get your feet on the ground." And he was the head of the gas company in Portland, Oregon. [Laughs]

CH: What a coincidence.

RETZLAFF: So I jumped at the opportunity. Of course, I couldn't come along with him. I had to wait for over a year to get my passport. There was a long waiting list, you know, for immigrants. Everybody wanted to get out of the country. This was long before Hitler. Well, not long before Hitler. There was some — you did hear a little.

CH: Hindenburg was running the country at the time?

RETZLAFF: Well, let me see, Hindenburg was, did become president. Whether he was still president then or who succeeded him, I'm a little vague on that.

So that's how my contact came about with Portland, Oregon. And that's how I came over here then, in due course.

CH: So your main reason for leaving Germany was the social situation that was going on with the...

RETZLAFF: Yes!

CH: Economy and the...

RETZLAFF: That's right, that's right, yeah.

CH: And you were looking for a way to leave?

RETZLAFF: Yeah.

CH: And then you met this friend of yours, a friend of the family that invited you to come over.

RETZLAFF: There is this story that people went around and carried their money around in wheelbarrows. Well, that's nonsense, because they did have printing presses. So how they did this: add a cipher and a \$100 bill became a \$1,000 bill as a standard norm; and that 10,000, and finally they had million — not dollar, but million mark bills. So they could always print money, that was, — so they didn't need any wheelbarrows. [Both laugh]

CH: So when was this that you made your trip to America, then?

RETZLAFF: Well, this was in 19 — I came over here in middle 1920s. October of 1924, I arrived.

CH: Did you come by ship, then?

RETZLAFF: Yeah, That's the only way. Well, of course, they had planes but not transatlantic planes, no. So I came by ship. In those days, I think it took us four days. I remember I left Bremen, and this was a North German Lloyd ship, on a Thursday, and I arrived in New York on, I think, the next Monday, and then took the train right directly that same — I wasn't in New York more than I had to be, a couple of hours maybe, and — is there a pillow there, in the back, there that you're sitting on?

CH: No, this is fine.

RETZLAFF: My wife had one in there, if it bothers you we could. Is it still going?

CH: Yes.

RETZLAFF: Alright. [Laughs]

So, let's see, I came directly to Portland, yeah.

CH: Overland by train?

RETZLAFF: Yeah, I came by Great Northern. It was a — I do remember it was a beautiful trip. Well, I had to change trains in Chicago, and then again in St. Paul. And I remember

the conductor from Chicago to St. Paul. He was a real nice fellow, and he took a great deal of interest in this young German boy there. And we had a layover...

**[End of Tape 1, Side 1]**

**Tape 1, Side 2****1989 February 15**

CH: This is an interview with Herbert Retzlaff in Portland, Oregon. This is Tape 1, Side B.

So, you were telling about your trip.

RETZLAFF: So this fellow took me, this conductor, in St. Paul was real nice to me. He took me up to the state capitol in St. Paul, and we had a few hours layover, and then I got the night train on to Spokane. I had to change trains in Spokane. And I remember how impressed I was coming out West here, about the wide open spaces. You know Europe is so small, you hardly can travel from one place to another without seeing a little village here and a little town there and some kind of settlement and small fields. But here I went for hours and hours through open country.

Now, it was in winter, and this was the northern route through the, along the Rockies, the Great Northern Railway, and it was very, very picturesque. I remember we had some stops when the train got, not exactly, well, stuck in the snow, yes, and they had to use snow plows to get the train through. And so we were considerably – we were late coming into Spokane and missed our train. And I had to send a telegram to Pabst, who was going to pick me up, that I would be late. And so I stayed in Spokane overnight and then caught the train the next day to Portland, and got into Portland — I don't know how long it took in those days. I guess I left in the morning and came here at night, and Pabst picked me up. I remember we had dinner in the old Portland Hotel, which isn't there anymore, which is where — between Sixth and Broadway.

CH: Where the Pioneer Square is now.

RETZLAFF: Yeah, that is the square now. The old post office was there then and is there still, but it isn't a post office now. Or is it? I don't know. [Laughs]

CH: There is a post office.

RETZLAFF: Yeah, I guess it is. Yeah.

CH: So when you were just leaving Germany and you knew you were coming to the United States, what were your expectations of what life would be like in America? What did you think was going to happen to you?

RETZLAFF: Well, I don't know that I thought too much what would happen. I worked like hell to get my school English improved, and so I studied English very hard. I don't know that I — what went through my mind in the way of expectations. I had talked to Pabst and he — I think he sent me some newspapers.

So I was impressed, as I say, by the open spaces because that's something we don't know, and something that you notice more coming out from Chicago and St. Paul here even. So that's the one thing. Other than that, I think I realized I was coming to a pretty civilized country. I mean, I didn't expect the Indians. [Both laughs]

CH: This is 1924, right?

RETZLAFF: 1924. Yeah.

CH: Well, when you first arrived in Portland then, did you start working at the gas company?

RETZLAFF: Yeah, and, oh, I talked about Pabst. When I met him in Germany, it was his first trip since 1903 or so, or 1902; since the turn of the century. He had been in the German Army, and he was stationed at some cavalry regiment in Hanover, which is close to the Holland border. In those days it was peacetime, and they had officers that didn't have a hell of a lot to do, and they probably lived high, wide, and handsome. [Laughs] So

he got involved with some, vaguely, as I remember, some fellow officer's wife. And rather than being court martialed and kicked out of the army, whatever, he beat it across the border to Holland and caught the freighter to America, and then eventually came to Philadelphia and started working in the gas works.

And learned all he could about the gas business and grew up and became, I think, became manager of the Philadelphia Gas Company. And then somebody offered him the job of running the gas company in San Francisco, and he took it. And during the earthquake, then — I guess that raised hell with the gas business. Well, anything — the fire and everything else.

So he met Adams, who was the head of the First National Bank of Portland in those days, and he said, "Well, come on to Portland. We need somebody to run the gas company up there." So he came to Portland and became head of the gas company.

So that's how — and, as I say, he hadn't gone back to Germany because of this affair. But when World War I came along, the Kaiser resigned, or was overthrown, and he took refuge in Holland, you know, and was interned there. Then he felt free to come back here. So that is how I happened to meet him and how I happened to get to Portland. [Both laugh]

CH: So how long did you work with him at the gas company?

RETZLAFF: Oh, I worked for the gas company, I think, a couple of years. I had a great time. There was a bunch of war veterans and they were all, that group that they all happened to be either Canadian or English, and they got a great kick out of taking me under their wing. And I remember I learned a great many words in the language that I wouldn't have learned in school. [Both laugh]

So those were the days of Prohibition, and I remember every Saturday night the bootlegger came into the offices (we were in the public service building then) came into the basement, and the gas company chemist went down there to check this booze, whether it was safe to drink or not. [Both laugh]

CH: He gave his approval?

RETZLAFF: He gave his approval, yeah. So then, they treated me to booze and so forth. To make up for that, I — in those days, there were a lot of German ships coming in through the Panama Canal to Portland, and I would go down to these German boats and take my friends with me, and they'd treat us to beer and wine, all the good things that you couldn't drink besides this booze. [Both laugh]

CH: So you were able to return the favor then?

RETZLAFF: Yeah, and I remember with this, one of these ships was tied up at terminal number four. It still is terminal number four, but in those days there was a board road to get to that terminal and the rest was sand. It was filled-in land. So, when we came from the ship, I guess we'd had too much beer or whatnot, whoever, was driving this car (it was an old Model-A Ford, I think) the car went off the boards and the wheels were spinning in the sand. So we had to walk back to the ship, and get half a dozen crewmembers, and they then lifted that, the car back on the boards, and we went on. But to reciprocate, of course, we had to turn around and treat the crew to drinks. [Both laugh] Somehow we got back alright, but we had a great time in those days.

CH: So from there you made contact with the Fred Meyer Company? What was your initial contact?

RETZLAFF: No. No, no. I worked for a short time, a year or so. I worked for a steamship agency, and they represented two — there was a Norwegian agency, and they represented two lines: the *Klaveness* line and the *Bruusgard* line. They were both Norwegian. And I think the *Klaveness* ships are still running or at least they ran through



the Orient, and the *Bruusgard* ran to Europe. But that agency then was transferred to San Francisco.

And I did work for a short time, again, for the gas company, but I decided, as Pabst said, there was no future there. So I decided I'd start seriously studying accounting. I had a little background in German, but the terminology was different, of course.

And so I worked on that very hard with an objective of becoming a C.P.A [Certified Public Accountant], which was a hard thing to do in those days because the accountants were very busy around the end of the year with the, most companies closed their books at December 31st, and so there was a big rush, an audit rush. Then it slackened off, and during the summer they had to lay off their staff people. So I had a lot of temporary jobs and in the summer went back to accounting in the winter.

And until — then I worked for William Woodfield and Company, who was one of the old-time — he was *the* leading accountant in Portland. He was an Englishman, a chartered accountant of England, and he had this English apprenticeship principle in mind. That is, he took a great deal of interest in this young man and personally coached him. Then I had the good fortune to pass my C.P.A. examination, and he kept me on the staff. He wanted to be all his men certified. So I worked for him for a few years, but I got kind of tired of that. I saw a lot of sets of books, but then they all began to look alike.

So I had met Leonard Roberts, who was then the controller for Fred Meyer. Fred Meyer was just beginning being talked about and gaining prominence in Portland.

CH: This would have been what year, do you think?

RETZLAFF: Wait a minute. This must have been about twenty — well, I think I met him in 1928 or 1929. And then I went back to get time to get back into public accounting and got this job with Woodfield and finally got my certificate, which I got in 1933. And I worked with him for all through the 1930s. Yeah, and...

CH: For Leonard Roberts?

RETZLAFF: That was — no. I had met Leonard Roberts on one of these temporary jobs, and he wanted me to stay then, but I wanted to get back into public accounting. So I didn't go to Fred Meyer then. But Roberts and I always were good friends. So after I was in with — when I was with Woodfield, Roberts said, "Well, why" — and he knew I was getting a little tired of this auditing, and he said, "Why don't you come to Fred Meyer? I can use another good man. There's room for you." And what I didn't know then and learned later, he knew then that he was going to leave Fred Meyer because of personal family affairs.

His wife, well, his wife had an affair that I didn't know anything about at the time, but he did, and he knew he was going to leave Portland. So when he brought me in he knew that I was going to be the guy that would take over. But he didn't tell me that then because my wife and his then-wife were really good friends.

And so, in due course, he left shortly after, a few months after I left, and he went to California to San Francisco where I saw him later. And he died not too long after that. So, yeah, then I —.

Oh, I remember when I went to Woodfield and told him I was going to Fred Meyer, he said, "Oh, you are too good for Fred Meyer." [Laughs] That's one time where he was wrong. He didn't — couldn't visualize the future that they had for Fred Meyer.

CH: This would have been when?

RETZLAFF: This was in, well, it was 1940. 1940, 1939 or 1940, something like that. 1939, because I remember I built my house in 1940, and that was the year we — no 1941, because we moved into the house in August and in December was Pearl Harbor. [Laughs] So, kind of always stuck in my mind.

CH: So 19...

RETZLAFF: Pearl Harbor was 1941, wasn't it?

CH: Was in 1941.

RETZLAFF: Yeah, so it's 1939, I guess, when I went to Fred Meyer.

CH: And did you meet Fred Meyer at that time?

RETZLAFF: Oh, yes, yes! Because it was an open office. He never liked private offices, so we all were out and saw each other. And yes, I met him and saw him.

CH: What was your...

RETZLAFF: Being in the financial end, I had to have more contact with him than many other people had to have contact with him.

CH: What was your initial meeting with Fred Meyer like? Do you recall?

RETZLAFF: No, I don't really recall. I mean, I was introduced to him like any new employee. And then when Roberts stepped out, I, of course, had to have much more contact with him. No, there is no particular incident that sticks in my mind, because then eventually we became very close and, in fact, I was his right-hand man. I had to be because my — he had taken courses in accounting and, as somebody said, he just knew enough accounting to be dangerous. He had his own ideas of what you could do and how you could juggle the figures, but it wasn't always kosher, so. [Both laugh]

CH: Do you recall examples of that?

RETZLAFF: Well, the one example that sticks in my mind — this was a good many years later. He wanted to do a certain thing. I've forgotten now even what it was, but I knew it couldn't be done. It might have gotten us into tax trouble, but he kept after me. I mean he came and tried to worm his way around, and "Well, now if you did such and such" and "But maybe this would be a way of -."

So one night we were sitting there, the two of us. He always worked late and I usually did. And he came over to my desk with the same proposition. And I got so frustrated and mad, and I asked, I swore, said, "For Christ's sake, I've had enough of this thing. I'm going to quit!" And I banged my fist on the desk and took my papers and shoved them in the drawer and slammed the drawer shut and walked out of the office. He had gone back to his desk.

Of course, I couldn't quit like that. In a job like that I had meetings scheduled the next day and interviews. And so, of course, I came back the next morning. He was sitting at his desk. I walked right by it and walked to my desk. He saw me, I saw him, and none of us ever said another word about that incident. In other words, finally he figured he'd better not. [Both laugh]

He respected a man who could stand up for himself. I mean, he didn't like yes-men around. He was hard to get along with, and you wouldn't cross him unless it was necessary. But he did respect you for standing up for your views.

CH: So when you first arrived at Fred Meyer Company, what was the company like? What did you — maybe you could describe for me the company as you found it when you first started with him.

RETZLAFF: Well, the company was quite young, of course, but Fred Meyer was being talked about in Portland as an up-and-coming merchant. I didn't have — yeah, we did have the store in Hollywood. We had a store in (called the downtown store) at Yamhill; 5th and Yamhill; the drugstore in the Alder Way building on Alder. And I think we

probably had the old store out on 72nd and Foster. I'm not sure that was out there then. I can't think of — oh! And Stadium. He had just bought Stadium.

The stores were always in old buildings [Laughs], and he remodeled these old buildings. And I remember in Stadium there were two floor levels. There were two auto agencies that he had — he bought the building from. And so when you went from the one section, which I guess was food, into the bargain variety, you had to go a few steps down because they had different floor levels.

And also, in that Stadium construction, Fred Meyer had fallen. Somewhere a rotten floor board gave in and he stepped through, and he injured his knee or leg in some way. So when I started there, he was really laid up and some of the building projects somewhat on hold. For the first six months, I think he wasn't too active, but then from then on things started picking up. The Stadium store was built and Hollywood on the east side. I don't know what were the early stores. I think the one on 82nd and Foster was one of the old ones. We bought an old building there across the street from where the new store is — the present store, and — hmph.

CH: Maybe you could describe for me your initial impressions of the people that you met when you first started; for instance Fred Meyer. F.G.M. He was called F.G.M. in those days.

RETZLAFF: We all went by initials. He was F.G.M. I was H.R. [Herbert Retzlaff]. Everybody had his initials. Killoran was R.H.K., Rollin H. Killoran, and O.B.R. was Oran Robertson. So we all went by initials. But I guess Dale Warman and — what is the fellow's name, the president that became president later? Green.

CH: Cy Green.

RETZLAFF: Some of those fellows might have been there at that time, but they were checkers in the stores or clerks in the stores. And they didn't — I didn't come into contact

with them until later. But I think some of them might — because I think both Dale Warman and Cy Green started out, right out of school, so they probably were there. They might have been there longer than I was, probably.

CH: So had you heard much about Fred Meyer when you first started? Did you have an impression of him before you even began?

RETZLAFF: Well, as I say, he was being talked about, and that was my reason, why I left; because I felt, well, there is, there probably is a future. He is — I mean, he didn't invent self-service. I think the A&P Company, the Atlantic and Pacific Tea Company did that in the East. But he did very definitely start the first self-service drugstore, which was this little drugstore on Alder. Because he recognized that the principle was the same. And he said, "Instead of having packages of cigarettes out," he said, "this way I can shove a carton of cigarettes across, and it doesn't take me any more time. It doesn't cost me any more money to do that, and here I get 10 times the profit, and I get a package of cigarettes." So he could see the advantages of that.

One of his famous, favorite quotations was from Julius Caesar.

**[End of Tape 1, Side 2]**

**Tape 2, Side 1**  
**1989 February 15**

CH: This is an interview with Herbert Retzlaff at his home in Portland, Oregon. The date is February 15th, 1989. The interviewer is Clark Hansen for the Oregon Historical Society. This is Tape 2, Side A.

You were describing Fred Meyer?

RETZLAFF: Yes. We were talking about Fred Meyer's progress, and I said that he was one of the people that was just coming into his own and being talked about as a prominent merchant in Portland. And I remember one of his favorite quotations, which I have heard him use many a times, is from Julius Caesar. "There is a tide in the affairs of men, which taken on its flood leads on to fortune." And he is one of those men who recognized the tide, which in this case was self-service and mass merchandising, and rode with the tide and made his fortune, and in turn made a fortune for the city that he grew up in and eventually for the whole state of Oregon and beyond.

CH: Could you describe what kind of person he was, then?

RETZLAFF: Okay. I...

CH: Your initial impression of the kind of person that he was?

RETZLAFF: Well, this wasn't necessarily an initial impression, but I did find him, and I say this without hesitancy, I found him the most educated person I know. And I doubt if he — I suppose he may have graduated from high school, but I don't even know whether he did or not. But he had an extremely good memory and he was extremely well read. He read constantly. And he also schooled himself. He went to night school. He took accounting courses, business administration courses. He took courses, I guess, in food

preparation, and he retained what he learned or read. And then he chose his subjects with care, so he made himself an extremely well informed man. And I have no hesitancy in calling him very well educated. He could quote Shakespeare and Goethe by the ream. “Are you in earnest? Seize this very minute! What you can do or cannot do, begin it. Progress has genius power in it. Begin it and the work will be completed.” I didn’t quote that right. I should look that up.

CH: But this is something that he drew upon.

RETZLAFF: That’s it. It’s Goethe. It’s from Goethe. And I [Mumbles quotation]. Okay, this is the quotation. “Are you in earnest? Seize this very minute what you can do or cannot do. Begin it. Power has genius, magic in it. Begin it, and to mind, let’s heed it. Begin it, and the work will be completed!” That may not be verbally right. I think that is a quotation from Goethe.

CH: And this is something that Fred Meyer did quote?

RETZLAFF: Yeah, I’ve heard him use it many a times. That was one of his, another one of his famous quotations.

CH: What about the other people that were there when you arrived? Did you meet Eva Meyer at that time?

RETZLAFF: Oh yes, of course, yeah. She was a major stockholder in the company, and I have a very great deal of respect for Mrs. Meyer. She was a very smart woman. I’ve heard people say, “Well, Mrs. Meyer really is running the company.” That isn’t true. He was the genius, and she was a smart woman, but she didn’t measure up mentally in his ability to direct people. But she was in charge of the kitchens, which meant candy-making, food preparation, and, I guess, the bakery and delicatessen, and that sort of thing. And she



was very competent and a very smart woman, and I had a great deal of respect for her, and I liked her very much.

I felt very close to the Meyers. I mean, I got so that — and they liked me. And I know, my first wife, who died in 1978, was quite sick when she died, but we became good friends, and they entertained us a lot of times, and we went up to their place up on the way to Mount Hood before you get to Government Camp, on the...

CH: At their home up there...

RETZLAFF: Salmon River.

CH: They had a house there, didn't they?

RETZLAFF: They had a summer home there, yeah. They had a nice summer house and a big lodge, and it was a big place, and they had company picnics would be held there and company meetings. Sometimes some of us went up there for a weekend conference or a several-day conference. I guess it was owned by the company; company property.

CH: Did you meet Earle Chiles at that time?

RETZLAFF: Oh yeah. When I first met Meyer, yeah, when I worked — I guess I mentioned when I first met Roberts, I worked there for about three or four months. Then I wanted to go back to public accounting. I — and that's when I met Earle Chiles first, who was then probably, he was in knee pants, so he must have been six or seven, eight years old, something like that, you know, but it's...

CH: This must have — this is before...

RETZLAFF: Wait a minute. I'm mixed up. That was the young Earle. That's the present. The old Earle was a year older than I am. Old Earle.

CH: Earle A.

RETZLAFF: Earle A. Chiles, yeah, and this was Earle M. Chiles. Okay. But Earle M. Chiles was around then as a boy, yeah. No. Earle A. was my age, approximately, within a year or so.

CH: And what was Earle A. Chiles, the older Chiles, what was he like, when you first...

RETZLAFF: He was an extremely nice man, maybe too nice for his own good. He was not very assertive, and he sort of shrank from Fred Meyer. He — in fact, Meyer sometimes, "Well Earle, what did — what do you mean? Why don't you say what you mean?" But he was an extremely nice man. I think he was a bright man, but he was so overshadowed and overpowered by Meyer that he never exerted or exercised his capabilities, probably.

CH: And what about Rollin Killoran? He was there when you first arrived.

RETZLAFF: Well, he was probably in the stores, and I don't know when he first came to my attention. He was a salesman. I mean, then he got into sales promotion, and that was his line.

And I hired Jack Crocker. I induced him to come in the company, and he became, he, well, he came as Meyer's assistant, and I remember talking to Jack. I said, "Well, Jack, it's an opportunity. If you make it, fine. If you don't make it, you've just got to get out of the company. You can't — I mean, there's no other job." But he got along fine with Meyer. Meyer recognized him as a smart man. He always had, on those days, he had a man assistant. Well, he also had Dorothy Norton assist; did the stenographic work.

So then Jack became more and more prominent in the company, became a vice-president, and became in charge of operations, and eventually, of course, when Meyer was chairman and when Jack became president and — but Meyer couldn't let loose. He had to keep his hands in, and when Jack made a decision, he would have to question it. So finally Jack got disgusted and said, "I want to leave. I'm sick and tired of it." And he did and then later become chief executive and chairman of Super Value stores in Minneapolis, a very large organization.

So Jack quit, and Meyer came to me, and he said, "My God, what are we going to do now?" And he said, and I agreed with that, he said, "Well, Killoran can't handle it." And that's true. Killoran was a salesman, but he wouldn't have been the general manager. I don't know, but I can quote personalities here.

Well, so we ran again, and then Oran came. Oran worked very closely, always with Meyers but strictly in building. He was the man that came to us from Boeing. He'd worked for Boeing during the war, and he was strictly — I mean, he was engineering trained. I think he went to University of Washington. He took care of the store building and design, and Meyer always was very, very much interested in that. So, real estate and store design, he worked very closely with Meyer.

So then Meyer couldn't think of anyone. "Well," he said, "What about Oran?"

And I said "Well, he is an engineer."

But anyway, he liked Oran, so that is how Oran then became president, I guess.

CH: This is much later then. This was...

RETZLAFF: Well, this was when Jack left to go to Minneapolis. Yeah, this was much later, sure. I'm getting ahead of myself, but it sort of led to the appraisal of the people. [Laughs] That is how I got into it.

CH: Yeah. Were there other people when you first came to Fred Meyer that impressed you? That made a lasting impression on you?

RETZLAFF: Well, I got to — and then of course during my work, I got to know Dale Warman and Cy Green, and I developed a great respect and affection, I might say, for Dale Warman. In fact, we still have dinner with him every once in a while and his wife. And I'm very fond of Dale, and he is a very extremely smart fellow. I like Cy Green. He was in a luncheon just recently. Well, there was a luncheon given for that new man, a new Fred Meyer head, Stevens.

So, there were other people. Art Merrick was a very brilliant and smart guy.

CH: Who was this?

RETZLAFF: Merrick, Arthur Merrick. Unfortunately, he hit the bottle, and so did his wife, and they both unfortunately — well, they're dead now. You know, alcohol is a terrible thing, and if you are in an organization like that, of course you run across it sooner or later though. [Laughs] I like a drink and, but that's never — of course, where I grew up, at home we always had wine and beer and liquor around, so you never thought anything about it. You took it or leave it. But Art Merrick was an extremely bright and capable man, and it's a darn shame that it had to come.

There was Walter Spencer, who was in charge of our food, grocery division, and he was an extremely bright man. He is dead now. I guess he, unfortunately, also got off the beaten path. He came from a family over in Washington. They had a ranch near Husum. They owned some of those ice caves on Mount Adams there. You know, where they make cheese? They make that Gouda cheese, which is a type of green cheese. What do you call it? Well. Walt Spencer was an extremely capable guy.

Unfortunately, he had a wife that was — she worked for Fred Meyer, too, when they got married. She was very extravagant. She didn't come from an extravagant family, I mean, but she could spend money very freely. I guess Walt needed money, and so he got to the point where he retained some — I don't know. Some people call them kickbacks. But suppliers, there are a lot of — they pay for shelf space, and there are a lot

of payments coming back to the firm. They pay for it, and it's earned in a way. But Walt wouldn't turn in all those, and I caught up with it.

No, I didn't catch up with it. The Internal Revenue Service caught up with it, and the fellow came to see me, an I.R.S. special revenue agent. The special investigator, I mean, not the run-of-the-mill I.R.S. agent, but the people they send out to dig into fraud and those kinds of cases. And he had caught up with this, and I didn't, at that time, know about it. I guess he had some suppliers' records. He knew what was paid to Fred Meyer, and he confronted me with that. I showed him the record I had, and of course, it didn't jive with what he had. Then we put two-and-two together, and it meant the difference led to Walter Spencer. He is dead now, but he was one of the real bright and outstanding guys that we had in the company.

CH: So what happened to him at that point then?

RETZLAFF: Well, I mean, he didn't — I don't know how the I.R.S. — it was settled in a money way. He didn't have to go to prison or anything like that, but there was a fine, and I don't really remember the exact details of that. Then Walt moved to California.

CH: Did he continue to work with Fred Meyer after that point?

RETZLAFF: No. No. No, in fact, Spencer had already left Fred Meyer when this happened.

CH: When would this have been?

RETZLAFF: Well, it was a good many years ago. It probably — well, it must have been in the late 1940s, I would think.

CH: When you first arrived at Fred Meyer, and the years just after that, what was the organizational structure like? How were things set up?

RETZLAFF: Well, the organizational structure, I think, hasn't changed too much over the years, although it's been refined. It was broken down into units, store units. And each store had a — well, there were divisions. There was the food division, the drug and variety division, the prescription division, and there was manufacturing, which included, I mean, the food processing and bakery and that sort of thing. Each division had a merchandiser. There was the food merchandiser — yeah., and then under the food merchandiser, there was a grocery merchandiser, vegetables, fruits and vegetable division. There was delicatessen. It was a separate division. We had drug and variety. We had photo. We had prescription. We had — that's the principal ones I can think of.

Now, then each division had its units. The food division would have, as I said, grocery, delicatessen, fruits and vegetables, and under — then each store had the same units. A store would have a drug section (they called them "section") a photo section, a variety section and a prescription section, and the food would have a grocery section and a fruit and vegetable section and a meat section. I guess those were the principal ones. And then the store units were — well, those are — yeah, they — and the sections; meat section, produce section and so forth. And we had section managers. And then we had assistant section heads. Section, not managers, section heads and then assistant section heads. And I think that's basically the way it still is.

We didn't have one man over food and drug together. We always had a food and a drug and variety person, and the sections were separate, and there were the sections heads and the assistant section heads. And we had a bonus system worked out, which carried down to that level, through the food division, and then the — under the food, which was the division merchandiser. Then under the food merchandiser, we had the grocery merchandiser, the meat merchandiser, the delicatessen merchandiser and so forth. And the section heads were broken down in the same way. And the bonuses were allocated in the same way.

We always emphasized bonuses a great deal because — in fact, it got so at least in the upper levels that the bonus was probably half, sometimes a little over half of our total remuneration, again, giving the incentive. If there was no profit, well, then, there would be a lower bonus or no bonus. It's what so happened in all the years I was there. There always was a bonus, and I think it always reached the maximum. There was a bonus pool, and there were allocations made to divisions, to sections, and so forth, down the line, and then the bonuses were paid out on that basis. Although there were sometimes loss sections, for some reason or the other. Maybe it was competitive reasons or maybe it was mismanagement or — so there were losses, but overall there never was.

But his idea, and I agreed with that, was that there should be an incentive. A man should be paid according to what he produces, not just because he sits there and he has spent so many years sitting behind a desk, attending that store or whatever.

CH: And what was the decision-making process like in the company at that time?

RETZLAFF: Well, we had a so-called ExC Council, which meant the "executive." The ExC Council consisted of Fred Meyer, myself, and the merchandisers of the principal divisions. That was about it. So the ExC Council consisted of probably...

**[End of Tape 2, Side 1]**

**Tape 2, Side 2**  
**1989 February 15**

CH: This is an interview with Herbert Retzlaff. The date is February 15th, 1989. This is Tape 2, Side B.

RETZLAFF: They met every week on Thursday mornings.

CH: Were they...

RETZLAFF: We had one general ExC, then, once a month. And the general ExC consisted of the same people, plus the merchandisers and the merchandise managers underneath, one level below, so it was a larger group. My guess would be there might have been from 25 to 30 people in there.

CH: What relationship were the merchandisers to the vice presidents of the Fred Meyer Corporation? Did they have a vice president position?

RETZLAFF: Oh yes, yeah. Of course, vice president is just a title. It's not — it doesn't designate a function. Just a minute.

CH: So the vice presidents were first initiated in what year?

RETZLAFF: 1955.

[Tape stops]

Well, I'm looking at this article from *The Oregonian* of Friday, April 22nd, 1955. Fred and Eva were going on a trip to Europe at that time, and before they left, they had



this meeting and made all these fellows that are named in here vice presidents. And here are the people as — okay. Here. That's my picture, along with Miss Dorothy Norton, who became assistant secretary. She was Mr. Meyer's personal secretary. There's Rollin Killoran and Al Gibson, who was the — he later became personnel man. I guess he was personnel. Glen Day was the bakery man; Art Merrick, in charge of apparel; Oran Robertson, the engineer; and Alvin Jones in charge of produce and...

CH: So, were all the vice presidents merchandisers?

RETZLAFF: Well. Except myself.

Oh, and Earle Chiles. Yeah, Earle A. Chiles was made president, that's right, and Meyer became chairman. Earle became president, and I was the first vice president, and then the others were vice presidents.

CH: So, the divisions that were broken down, each had a merchandiser and each merchandiser that headed each division was also a vice president, beginning in 1955?

RETZLAFF: Yes. I think that's right. Those people, these particular people — as I say, vice president is not a functional title, and if somebody else replaced another merchandiser, that doesn't mean that he necessarily then became a vice president. Maybe he did, maybe he didn't. But, of course, these people were — stayed with the firm for quite a long time.

CH: Maybe you could tell me something about how decisions were made among this group of people.

RETZLAFF: Oh, well, I think I referred to the ExC Council. The ExC Council met, as I said, once a week, and that was a group of about a dozen people. And that set policy matters, general strategies that didn't necessarily or not too often get into details, except

maybe a certain sales promotion campaign. It also then dealt with store sites, and they would be brought up, and usually Meyer picked those and made a decision on them. But at least the ExC Council was informed, and then the type of store we would build and that sort of thing would be discussed in the ExC.

And once a month we had the, I guess, it was called general ExC, which was a somewhat larger group, because it included the people one echelon down the line, which wasn't so much I think a decision making group as more a matter of they were being let in and informed of what was going on and the reasons – well, they voiced their opinions. It was a matter of give and take.

CH: How much control did each merchandiser have over his division? Could he do what he wanted, basically, within certain parameters?

RETZLAFF: Pretty much, because he was a specialist in his line and if he – yes, he could pick the suppliers and arrange for the co-op that we would get from suppliers, and arrange for the displays. And, of course, under the merchandisers then there were the buyers. And the buyers were the people that dealt directly with the suppliers.

CH: How would you describe the involvement of Fred Meyer in these divisions? How much involvement did he have?

RETZLAFF: Well, he left a lot of latitude to these people, because they were specialists in their line, but he wouldn't hesitate to step in and change things or raise hell if he thought that was called for [Laughs] and he did.

CH: Can you give me any examples?

RETZLAFF: Oh. No, I don't — you mean of things going wrong and his changing them? I really can't think of any particular example. I don't — there weren't any disastrous things that happened. No.

CH: If somebody wanted to make a change in their department, something, a function of their department, would they consult with either the ExC or Fred Meyer himself, or would they go ahead and do it?

RETZLAFF: No, they generally would go ahead and do it, unless it was a radical change that affected maybe a store layout, getting more room in this — for his department at expense of another, or things like that. But generally they had latitude within. That's what they were hired for.

No. They were given authority and had the responsibility to carry out those directions, and they had to perform. And then, if they didn't, well then, that would reflect itself in the bonus or else lead to their discontinuance or dismissal, although I don't recall any very drastic incidents.

CH: But there were no store managers, were there?

RETZLAFF: No, there were not, and I think that's still true because I know we do a lot of business here in Burlingame. We, I mean my wife and I, buy there, and we know the food manager there quite well.

[Tape stops]

CH: Now, you're showing me an envelope that's entitled "Intersection Mail." Now, how was this used?

RETZLAFF: Well, this came in two sizes. This is the large letter size, and then there's a smaller size for memos. This has 24 fields, "From" and "To", so this can be used many times over again. So if I wanted to send a memo to Fred G. Meyer, I would address it to F.G.M.; and the section in this case would be M.M.O., which would be Merchandising and Managing Office. If I wanted to send something to the section head of the Burlingame grocery, for example, I would send it to whatever this fellow's initials were; section B.U. would be for Burlingame. Each store had its store initials — two initials. B.U. would be Burlingame and F.D. would be food. If you wanted to send it to the prescription man, I'd send it to B.U. R.X., and so forth.

CH: In your meetings of the ExC and the general ExC, what kind of involvement would Fred Meyer have at those meetings? Would he direct them and talk...

RETZLAFF: Oh, yes, he chaired the meeting. He always would.

CH: And what kinds of...

RETZLAFF: Well, when they were out of town then somebody — then quite often I would take over, but normally he would chair the meetings.

CH: And would he review each division during the meeting then? Were there progress reports or criticisms or — how would he handle the meeting in terms of these other people on the council?

RETZLAFF: No. Generally, I think the ExC council would bring up — there would be policy matters that would be brought up. He would — there would be an agenda, and he normally would prepare the agenda. If somebody else had something that — somebody to suggest, that would be incorporated in the agenda, and generally it was a matter of bringing up policies to be followed. At certain times, perhaps, it could be a review of

operations, particularly at the end of an accounting period, which was not a month. We were on a 13 period year. 13 periods of four weeks.

CH: And why was that?

RETZLAFF: Because it gave you more uniform comparisons. Two months would not be a good comparison because one month may have five weekends (I think that can happen) and another month maybe only four. And weekends are — in the retail business that makes a lot of difference. Weekends are the times when the business is heavy, and the first part of the week it's slow. So, on a monthly statement you would not get good comparisons. So a long time ago we went to this 13 period year.

Now, it doesn't come out even, of course, so every — hmm, forgot now — fourth or fifth year you add one week, and then you have one month there with an odd one in it, but that would be absorbed. I mean, that doesn't happen very often, but generally speaking you compare four-week periods because they are comparable. So that's where retailing is different from, say, maybe some other kind of business. In a factory maybe it doesn't matter so much, but here it does.

CH: How was your department organized?

RETZLAFF: Well...

CH: When you first — early on, in the early years of the company, when you first were working there during the 1940s?

RETZLAFF: Well, the controller's department consisted of — I recall there was — I was the controller. Later, I was called financial vice president, and then later we added an assistant controller because it was too much detail. There was — I had a secretary who in the early days also took care of insurance. Later the insurance became a full-fledged job,

and she became the insurance manager, and then there was another secretary that took care of the strictly secretarial duties.

And then there was a general ledger clerk. That was an important job because the general ledger would bring in all the statements of all these different sections and consolidate it into one. In the early days, that would be done by hand. They used — what do you call it? You line up the sheets like this, spreadsheets, and then you go across and add up all the figures.

Then quite early I brought in I.B.M. [International Business Machines] to handle that, and this was before — it was not an I.B.M. computer, but it was an I.B.M. punch card system. And so then we would punch cards for the figures of each section, and then the cards would go into — they would be keyed by sections and divisions, and they would be sorted in that way by divisions, by sections, under each division, and they'd go in several times, and we'd get statements in that manner.

CH: When did you initiate this?

RETZLAFF: When? Well, it's before I.B.M. made computers. It must have been in the 1930s, I guess. And then we refined that. As soon as they came out with computers, we got the computer, an I.B.M. computer, and it would be done on — those computers had tapes.

CH: So you started this shortly after you began there? You instituted this system, the I.B.M. system with cards, punch cards?

RETZLAFF: Yes, as soon as they became available. We started out by using them for payroll. Payroll was a big job in those days, you know. Checks had to be written, and so the payroll had to be organized by sections and divisions, and that was our first application. And then the accounts were brought on to it, the general ledger accounts.

And you ask about the controller's department. Well, one of the key jobs was the general ledger clerk, because this woman – and it was the same woman all through those years until — well, then later she got assistants, and then somebody else took over finally, but she was there all through, and she was a very competent woman who handled that, because that's where all the statements were consolidated.

CH: Did Eva have anything to do with your department? She was secretary-treasurer.

RETZLAFF: No. Yeah, but that was in name only. I mean, I did the duties of the secretary-treasurer. I mean, I took care of those. I would give her some things to sign or so because she had the office. And, of course, she died in 1960, I think it was, so...

CH: Well, in terms of the procedures for your department, did the — what involvement did you have with the merchandisers in terms of their meeting any kinds of budgets or...

RETZLAFF: Yes. That's a good idea. We had budgets. Very definitely. We had budgets quite from early on, and they had sales quotas, and the budgets were based on past experience. Actual statements, but they were refined then. Maybe we upped the quota. Maybe a certain store was — the area was increasing. Maybe we'd built a suburban store in a new area, and now the people moving in and so budgets were changed all the time. And that was...

CH: Who would determine the budgets? Who would...

RETZLAFF: Oh. Well that's where the merchandisers came in. I would sit down with the merchandisers and we would go over — they couldn't just dream up their own figures or they'd set it low enough so they'd always get a bonus. [CH laughs]

So we would go take the figures, and we'd say, "Now this is what we did last year at, say, November or December." The time of the year had a lot to do with it, you know.

You have your Christmas trade and all these seasonal — when Easter falls has something to do with it. And so, just because last year Easter was in April and maybe this year it's in March, so we didn't just copy last year's April figures, or so. We'd say, "Now here."

So that was a matter of give and take, and they would say — they said, "I don't remember you did that." And I said, "Well, we did this." And so, that was a matter of give and take. And — but I had to sit in on it to make sure that there were some realism in those budgets and some incentive.

CH: What about Fred Meyer? F.G.M. Was he involved in the budgets or the sales quotas at all?

RETZLAFF: No, not really. Well, I mean he would see the results and, oh, maybe overall, yes, and he sometimes would call for statements. And he — if there were certain divisions he found fault with, that would happen.

Now, I talked about ExC. That somewhat changed when the corporation went public. Then we had a board of directors, and we did have some outsiders on the board of directors. And the board of directors met, I guess it was usually once a month. Glen Jackson, for a while, was on our board. You know he was quite a prominent figure in Oregon. You know Glenn Jackson?

CH: Yes. During what period?

RETZLAFF: Well, let me look at the — can I?

CH: Yes. So, Glenn Jackson was later then?

RETZLAFF: Yeah.



CH: On your policies, how did you determine the markups and the profit margins for your products? Was there a standard formula that you went by? Or did you determine this product by product? How did you go about doing that?

RETZLAFF: Well, the buyers had a lot to do with it. I mean, they did the buying, and they'd bought a certain article, and then, say, "Well, this. We can sell this for so much in the stores." And then they'd deal with the supplier and say this supplier wanted a certain amount of money, and they'd say, "No we can't do that. You have to give us a better price than that." And then sometimes they'd have to convince the supplier of what volume we could give them.

I remember one incident. I don't remember the year now. Jack Crocker had to do with it. We wanted to sell Levi jeans merchandise in our stores and [Meier & Frank] went to — what's the name of the Levi chain?

CH: Levi Strauss?

RETZLAFF: Levi Strauss in San Francisco and said, if you sell to Fred Meyer we are going to take Levis out of our stores. So Jack Crocker went down to Levi Strauss and had a meeting with them, and he proved to them that with all his outlets, Fred Meyer could sell 10 times the Levis that Meier and Frank could sell. [Laughs] So they got the Levis.

CH: Is that how they got it?

RETZLAFF: Oh yeah, sure, sure. Meier and Frank kept them, of course, because they couldn't cut their own throat. But that was it! They didn't know too much — that much about the firm. They were sitting down there in San Francisco, and somebody said Meier and Frank was a big account. They didn't want to lose it, but Jack proved to them that with all our outlets in Oregon and Washington and where have you, that — so they [Laughs] — so that is how.

But the buyers had a lot to do with that. They set the prices. And food, of course, it was day-to-day competition. I mean, cost had to do with it. Maybe at a certain time of the year this was abundant and other times. Maybe one time they got grapefruit from Mexico and one time maybe from Florida, depending on the seasons there. That governed more. But in other merchandise, like drug and variety or apparel, it was a matter of dealing with the supplier and trying to get the best price. Then the buyer would set the price, and maybe you could sell it for that, maybe you couldn't, and then he had to — of course, there's always markdowns, as you know. And that had to be taken into consideration. They had to incorporate that in their planning.

CH: Did you have a general markup percentage for retail?

RETZLAFF: No. You can't, because that depends on entirely different — I mean, apparel and the different kinds of apparel. Jeans would take a different mark-up from maybe women's dresses and from overcoats and women's shoes. No, there can't be any fixed overall. That just isn't in the cards.

CH: What about economic forecasting? Was there much of that?

RETZLAFF: Well, yeah, well I mean we did a lot of planning and forecasting. We made a budget for the year ahead and then we refined it as we went along. And, yes, we subscribed to all kinds of services, and we traveled a lot. I took a lot of courses, and I belonged to the Financial Executives Institute, and so it was a matter of gathering information and we used our judgment. And, yes, but we did very definitely make forecasts.

CH: Who was all — who all was involved in the process of economic forecasting?

RETZLAFF: Well, it was first of all a merchandising forecast and that was based — the buyers said what they could get and think they could achieve. And I would sit in to look at past...

**[End of Tape 2, Side 2]**

**Tape 3, Side 1**  
**1989 February 15**

CH: [This is an interview with Herbert] Retzlaff, at his house in Portland, Oregon. The date is February 15th, 1989. The interviewer for the Oregon Historical Society is Clark Hansen. This is Tape 3, Side A.

Who was involved in the economic forecasting? In the process of economic forecasting?

RETZLAFF: Well, economic forecasting is sort of a fancy word. I don't think — they were not economic in that sense. It started with sales forecasting, and what could be achieved, and then seasons and conditions, general economic conditions, were taken into account. Yes, it was economic in that sense, but it sort of grew from that and I was the guy that sort of had to keep the strings together and see that we didn't go off too far half-cocked. And then it was constantly refined. I mean, it's one thing to say this is what's going to happen a year from now, and then you find that we are more of a depression than we thought we did, or whatever, and then you have to amend your forecast. It's a matter of constantly refining that.

CH: Was this something that the merchandisers were involved in?

RETZLAFF: Oh, yes, very definitely. Yeah, yeah, because it was their — they did the buying and they had to do the selling, and very definitely, yeah. That's really where it started, with my sort of trying to keep it all under control and keeping them from going hog wild.

CH: And was F.G.M. also involved in that?

RETZLAFF: Well, not so much in the detail process. No. In the general picture, I mean, you might say, well, sales last year were this much. Now, I think we have a couple of new stores that are really taking off, so we probably should next year, just on the same stores, we should get 10% more, maybe, or whatever. So, yes, in that respect but then the detail store and divisional build-up — well, there wasn't a divisional build-up. It was a store build-up, and then the stores formed the divisional forecasts, in other words. So, he didn't get into the detail picture that much.

We might say this — talking about going public, and this brought to my mind as long as Fred Meyer was a privately owned company, the Meyers were quite free with their own expenses, I mean, it was their own business. But as soon as we went public, Meyer became very conscious of the responsibility, and he saw to it that the personal expense accounts and so were held down, and he admonished Eva and Earle, and so on.

CH: That must have been a big change for the company at that point, then?

RETZLAFF: Well, yeah, it, of course it was. Yes. Yeah, but I mean he was very conscious of the responsibility, and he was willing to abide by that. As a matter of fact, the Meyers never were extravagant. He lived very simply. He dressed well, but again they — I think he almost always wore black suits. I can't think of him — or once in a while in the summer he had a light suit or so, but he was always very neatly dressed, and he always wore a bow tie. That was his trademark. [Laughs] But his personal needs were very frugal. He didn't drink, except maybe a glass of beer or a glass of wine occasionally. But he didn't smoke. So there was certainly no extravagance there.

CH: Going back to your section of the company here on the financial matters, how did you determine your allocation of profits?

RETZLAFF: Well, the profits were determined from what actually happened. I mean, they were accumulated, the figures were accumulated, as I described, first by punched

cards and later by computer, and so forth. But then that — the profits were — this was a fact. I mean, they either made so much money or they didn't. But you're thinking of the forecasts more, aren't you?

CH: Well, both, in terms of forecasting of allocation...

RETZLAFF: Well, the allocation of bonuses then. Yes. There was a bonus pool, and this was quite an elaborate setup, and we spent a lot of time of finding that. And there was so much set aside for merchandise, so much for — well, so much, first, for general management, then for buyers and merchandisers, and then for section heads, and all the way down the line to assistant section heads, and that was a predetermined allocation. And then within that pool for this particular group, then that was divided in the ratio of profits actually achieved, but it's the original allocation. And we spent a lot of time and there was — it was changed a lot over the years and looking back now from what I see in other companies, I think we were quite progressive in all the years we...

CH: Was this based on a model that you had seen applied elsewhere, or how did you come up with the concept for the bonus pool to begin with?

RETZLAFF: Well, as I say, we all traveled a lot, and I traveled a lot. And whenever, wherever I went, wherever I had a chance, I visited other businesses in our type of business; retailers. For instance, I had to go to Boston quite often because we got money from Boston, from New England Life and Mass Mutual Life, and so I visited in Boston. I would visit — oh, the big chain. It's quite a well-known chain. I'd do the same thing in California.

Now, I learned a lot from the man who ran the Alpha Beta stores in California. He became a real good friend of mine, and I learned a lot because they had developed the bonus system, and I studied his.

So wherever I went, I would compare notes, and I asked questions, and so what we dreamed up wasn't entirely out of our own head. It was a picture we had gained from many operations, and that's how this thing was formulated. In other words, you learn from others. You would certainly...

CH: In your travels and experiences with other — how other companies were run, was there any particular company that you felt was — you had the greatest amount of admiration for in terms of the way they managed their company?

RETZLAFF: Well yes, we had some. We had a great deal of respect for Vons in California. I think they still do business as Vons stores. And we knew the Von family quite well. Well, you got to know all of these people quite well.

And then there was in Houston — hm. What was that chain in Texas? And in Boston there was a big chain.

CH: Was that the May Company, or?

RETZLAFF: No, no, no. Well, May Company was in New York, of course, and I have been at the May Company. Yes, I spent quite some time with the May Company and their auditors when we were particularly interested in LIFO. LIFO is a matter of accounting which says "last in, first out," and it means the goods that come in last go out first so they go into your costs. You have a better handle on your costs that way, and we switched over to LIFO. And LIFO was something that was, in those days, relatively unknown in our type of food retailing because you don't deal with units so much, you deal with groups of units. And Jack Crocker and I spent a week at Harvard in the Harvard Business School on a LIFO seminar and learned a great deal there.

So all of this was a matter of knowledge assembled or accumulated from various experiences of other firms. And yeah, we had some that we, of course — we had our own opinion then about these firms. We had a great deal of respect for Vons and for Alpha

Beta, and I can't for the life of me think of that name in Boston, but it was quite a well-known chain. You would know the name.

CH: Neiman Marcus? Was that what you were thinking of in Texas?

RETZLAFF: No. Neiman Marcus, again, was a — that's a department store. No. I'm talking of food chains.

CH: Oh, of food chains.

RETZLAFF: Yeah, well, it doesn't — but we covered the country, and we accumulated a lot of ideas in that way so. What we developed was the result of a lot of observations and learning from others.

CH: Was there some medium or organization that — or some social route that you were able to communicate with these different companies and the heads of the companies? Where would you generally see them and meet them and talk to them?

RETZLAFF: Well, I mean, we knew them. I mean, Meyer had visited them. He traveled a great deal, and he did the same thing. I mean, he observed what others were doing, so we knew them. If we got someplace, I was welcomed with, usually, with open arms and they were glad to see me.

And then there are organizations, yes, as the National Association of Food Chains, for example, and they have regular meetings. And they also have a controllers group where the financial people of these chains meet. And there's the National Retail Dry Goods Association, which is more the department-store-type stores like Neiman Marcus and May...

CH: May Company.



RETZLAFF: Yeah, and those companies. So various organizations, and we got into all of them because our business touched on all those areas. So, that's how this came about — the bonus plans that we developed and the general operation methods.

CH: Is there anything that you can tell me about, the way your department was organized or operated?

RETZLAFF: You mean just specifically mine?

CH: Yeah, specifically yours.

RETZLAFF: Well, I think I've referred to the general ledger position, which was a key position, and general ledger, of course, just a book. And then the accounting office came under my control. That was the office where all the detail work was handled: the payment of invoices, the payables.

CH: How many people did you have working for you in these departments?

RETZLAFF: Oh, in my own department, probably, generally, it wasn't, finally, maybe about a dozen people. The accounting office had more, and I think we had many at times, between 80 to 100 people, although as more and more of this work could be mechanized, I think that was cut down. But it grew as the volume increased from its original beginnings, and then, eventually, as more and more could be mechanized, then it was cut down again.

CH: When you first started, was the Depression still going? Was it still affecting the economy at the time, when you began with Fred Meyer?

RETZLAFF: Well, wait a minute. I — oh, you mean the early 1930s Depression? No, I wasn't with Fred Meyer then. Well, I guess it's when I first met Robert. Yeah, but — and was there for a short time, but generally we were through the Depression of the 1930s when I met Fred Meyer. And Fred Meyer did the business — generally was, from year to year, was growing because of expansion, new stores, so we — Fred Meyer really didn't experience any severe effects from economic depression. No.

CH: What — how do you account for that, since other companies were folding?

RETZLAFF: Well, because our business in itself was growing. I mean, we added stores. The method of that type of retailing I think had caught on. People liked to do all their shopping under one roof and so.

CH: Were there other people in the Portland area that saw Fred Meyer successful in this concept and tried to imitate it or start something similar?

RETZLAFF: Well, not for quite some time. Now, of course, sure. There are people like Payless and, of course, they're not in food. And then K-Mart has come in and — but for a long time, we were the only ones. And now Albertsons and all those people, so people are doing the same thing. But I think it took some time because you don't organize this sort of thing overnight. It sort of develops, just like our early stores were a far cry from what they became later, and they were terribly primitive compared with what it is now.

CH: Well, as the business was growing in the 1930s and 1940s, and he was building more stores, did he set aside profit that the company gained to build the new stores? Or how did he go about the expansion in terms of the building of the new stores go?

RETZLAFF: Oh. Well, right from early on, the property acquisitions and the store building was not handled by Fred Meyer, Inc. We had a group of real estate companies,

and those real estate companies acquired the properties and built the stores. And the reason for that is we had to borrow money to do that, and we didn't want to mess up the balance sheet of the operating company with a lot of borrowings and mortgages. So he formed different real estate companies. They were called originally after the location. There was a Hollywood Company, a Stadium Company, a Southeast Company, and so forth, and these were all stores.

Now as time went on, that got somewhat jumbled up. So the Stadium store, after that was built, maybe the Stadium Company accumulated money and there was another store could be built, so the Stadium Company might have built the store in Gresham, or so. But there was a sound reason for originally not — for not having the real estate in the operating company.

I'm leafing through here. There is some — okay. This is under properties and the registration statement when stock was first put on the market, and this is...

CH: In 1960?

RETZLAFF: In 19 — what was it? 1960. Yeah.

"It has been the policy of the company to limit its investment in fixed assets in the belief that its capital may be more profitably employed in the clerking and operating its stores and other facilities. All of the company's shopping centers, warehouses, plants are leased from affiliates. The downtown stores are leased from non-affiliated persons." Well, yeah, downtown we had to lease property in the existing, like the drugstore in the Alder Way Building, and so, but "15 of the 16 stores and all the warehouses and plants provide for fixed monthly rentals." No percentage rentals.

CH: So where did the money come from, the, to be able to buy the real estate that these...

RETZLAFF: Okay. Then we went to insurance companies, mostly. We borrowed a great deal of money from New England Mutual Life, Massachusetts Mutual Life, John Hancock — oh, and others. It's mostly large insurance company that are in that type of lending, and in that way you don't clutter up the balance sheet of the operating company.

CH: And this would then be the real estate company that was borrowing...

RETZLAFF: And these would be the so-called real estate companies that do the borrowing. Yeah. In other words, Stadium Company would go to New England and, "Here's what we propose to do," and they would pass on it. And we were in close touch with them, particularly New England. They were out here a lot of times, and I would take them around and show them the stores. And Meyer would take them along, and we got to know them real personally. We got real well acquainted with both New England and Mass Mutual and made some personal friends, really, in those companies. So those are two of the ones we dealt mostly with, New England and Mass Mutual. But then there were others. John Hancock was another one.

CH: So if the real estate companies were separate from the parent company, or the main company, what did the real estate companies borrow on? What...

RETZLAFF: Well, on the land. They would then — then we'd mortgage the land. They would — usually, we had to — I mean, they just don't give you a lot of money. Come here...

CH: No.

RETZLAFF: Here it is. You spend it.

CH: And who did the...

RETZLAFF: We told them where we wanted it, and we pointed out this is, we think, is a real strategic location. This is close to maybe an intersection of a main highway and, yes.

CH: And who would purchase the land, then?

RETZLAFF: Well, Fred Meyer, always went — and he was very well-versed in real estate. He an eye for real estate.

Now, he didn't do it alone. One of his early people that he brought in early — and he also became a real good friend and personal friend of Fred Meyer — and that was Dave Simpson of Norris, Beggs and Simpson. They are a large — they were a large real estate firm, and they're still here. The name has slightly changed. I think it is Norris and whatever. The Beggs is not in the name anymore and then they transferred their headquarters to San Francisco more. But Dave Simpson was always here and he was in our office a great deal, and he consulted with Meyer, and they would — he would bring him, and he said, "No, we can..."

And these properties were purchased under some kind of a cover name, because the store location consists of many different parcels. Many houses have to be bought — mostly houses, individual houses, and they had to be bought up. And if somebody got wind that Fred Meyer is interested in this location, you can imagine what would happen to prices. So we always tried to find somebody who would — some individual to cover under that name and was not associated with Fred Meyer.

Now, sometimes these things leaked out, too. I remember one instance when we acquired the Rose City property out on Sandy. There was one guy; he was a real smart. He had a house right on one side street, right in the middle of the block, so he figured, "My God, I'm going to hold out, and I'm gonna get these guys."

Well, [Laughs] he didn't succeed because Meyer got, "Oh, the hell with that." So he designed that store, and we designed it right around this little house, [CH laughs] and it started building and the guy — then the guy started screaming, wanted to sell. "No."

said Meyer. “We got plans made. We can’t change now. We’re just going to build that store.” And we did, and this house was built here, right hemmed in by the great big store walls. This was the back of the store, the warehouse portion of it, the stockrooms and this house sat there, all surrounded. [Laughs]

CH: It’s still there, isn’t it?

RETZLAFF: Well, for all I know it might be there. [Laughs]

CH: No, the house. Isn’t the house still...

RETZLAFF: Well, it could be. It’s been there for years. I mean, we were through. No, we’re not going to change it anymore. The hell with that. [Both laugh] And so, I don’t know whether it is there today or not.

CH: So did Fred Meyer purchase the real estate then, out of his own pocket?

RETZLAFF: No. No. These companies — they put up the money. New England would give us the money after we’d convinced them this is a good location. And they’d been out here maybe looking at it, and we’d show them the freeways and the approaches and what we had in mind. And then they gave us the money, and that would build the store, and they’d get a mortgage on it.

CH: And what was the collateral that you borrowed on to be able...

RETZLAFF: The real estate.

CH: The real estate. But what real estate?

RETZLAFF: Yeah — and the store.

CH: But, what real estate did you have?

RETZLAFF: I mean the store building.

CH: What real estate did you have?

RETZLAFF: Well, we bought it with the money they gave us.

CH: I see.

RETZLAFF: We didn't have — I mean, we...

CH: You didn't have anything to begin with?

RETZLAFF: No. No, we didn't have anything to begin with. That's why we had to be so damn careful when we bought it, that the cat wouldn't get out of the bag and everybody know Fred Meyer is buying that.

CH: So how far in advance would he plan?

RETZLAFF: Oh, that would depend. I remember...

**[End of Tape 3, Side 1]**

**Tape 3, Side 2**  
**1989 February 15**

CH: This is an interview with Herbert Retzlaff at his house in Portland, Oregon. This is Tape 3, Side B.

So how far in advance would he plan for these stores, then?

RETZLAFF: Well, that somewhat depended on the availability. I remember Dave coming in and saying, "Well, now, this is property, but — and we can get it now, but it won't be ready. The neighborhood is developing and it won't be ready for a few weeks." The Gresham property, we had for years. There weren't even sewers out there, but we knew it was — Meyer knew that it was a strategic location. It was at the intersection where the highway from Sandy and from Mount Hood comes in. We knew we had to wait until the sewers were being built, and we had — I don't know. We had it for maybe 20 years. In the meantime, there were houses on them, which we would rent, and we got revenue from it. And then when it was ready, quite often the houses would be sold and moved onto other properties, and so. But sometimes, it was the process of years, a matter of years before they really became productive for stores. So, that — I don't know if that answers your question?

CH: Yes. So you would plan years in advance.

RETZLAFF: Oh yes, yes. Those were long-range plans. Sure. Yeah. When you build a store like that, I mean. And there are a lot of studies involved, I mean, and we worked closely with the highway commission. And then later, Glen Jackson at one time was on our board but then resigned because he felt he got into too much of a conflict of interest. We always had to dicker with the highway commission. And George Mead always handled a lot of our combination cases, when property had to be condemned for highway use.



CH: Was it difficult to keep this secret, to keep it out of public view?

RETZLAFF: Oh, I think we managed all right, usually, but then sometimes it would happen. I remember a funny incident. We bought this — excuse me. Hang on.

CH: Well, the whole concept of a shopping center was rather new, wasn't it, at the time? Back in the 1930s and early 1940s?

RETZLAFF: Well, yes. I mean, it sort of grew like Topsy. The early shopping centers, as I think I mentioned, grew out of remodeled old store buildings, like the two auto agencies, the Stadium or the Hollywood store. But then that was refined, and finally the old buildings were torn down and we started from scratch to build from the ground up. So, yeah, that was refined over the years and again by studying what other people were doing in this area, their store designs and layouts.

CH: Did the concept for the shopping center have — did it come at all from his early days down on, when he had his market down on Yamhill and there were many different merchants in the one building. Did that have anything to do with his concept?

RETZLAFF: Well, that started it all, of course, meaning that different businesses under one roof, yes. That started it, but then of course that was a far cry from what it became, yeah. Yeah, then one thing led to another.

CH: And how did the public react to the shopping center concept?

RETZLAFF: Well, people liked it. I mean, it sort of grew on its own. Then people responded. That is how we could — very definitely, yes.

CH: Was there any reaction to, in the self-service concept in the shopping centers, to a feeling of not being waited on, in the sense that when you would go into an old fashioned store, they didn't have a self-service concept? Somebody would wait upon that person.

RETZLAFF: Yeah.

CH: Was there any feeling of loss for this or did they feel...

RETZLAFF: I don't think so or it wouldn't have succeeded. I think people appreciated that they could get what they want and get out quickly.

CH: Right.

RETZLAFF: Yeah, I think. Oh, of course there were some people that — then particularly in higher-priced lines. That's something else. That's why Nordstrom now built a big business, strictly on service. You go to Nordstrom, and my God! You can get service, and you are waited, and they — but that is their strong point. That is the other end of the scale.

CH: Yes. Was the Hollywood Shopping Center, was that the prototype, then, for the other stores that he built after that?

RETZLAFF: Well, it was the first one, let's say. It wasn't a prototype, because the Hollywood store, even today, is a jumbled-up mess [Laughs] because it's so confined. There is no way to move, you know. We have parking across the street or so. There is a city block there, and for certain reasons you couldn't get other properties there, and you couldn't just level the whole thing because there are too many main streets. You can't build across Sandy Boulevard or Broadway, so they are right there on the intersection of

Sandy and Broadway, you know, and right close there. So, it — there where Hollywood is probably is not a good example because that had so many physical limitations.

CH: What store — is there a store that would serve as a prototype, that was developed, that eventually became a prototype for building the other centers?

RETZLAFF: Oh, I don't — no, I don't — maybe the new Southeast store. That's the one that had this famous house.

CH: Oh, the Rose City.

RETZLAFF: That was one of the early ones. We had a small store across the street from Sandy and then we moved across. Maybe that was an early one.

CH: How did he...

RETZLAFF: Yeah.

CH: Pardon me. Were you...

RETZLAFF: Well, Raleigh Hills was a funny incident. We bought Raleigh Hills, the property, and on this property there was a great big hay barn. It was an old farm property. And we didn't want to tear that down because you could allocate, when you buy property, between land and buildings. And buildings you can depreciate, land you can't. [Laughs] And depreciation you can deduct from taxes.

So we put the value on that barn. And we said, my God, what are we going to do with that thing? And we talked about we'd probably have to put a garden center in it or something. What do you do with a barn?

So, anyway, before we could start leveling that property and building — getting the store site fixed, there was the famous October storm. I don't know whether you remember that. That was before your time in Oregon, but there was a very...

CH: The Columbus Day storm?

RETZLAFF: Yeah, that was it. Okay. Columbus Day storm. So, [Laughs] my God, the Columbus Day storm, and the barn collapsed. Now, we had gladly given some — in fact, even in our meetings, we said, "Can't you give somebody a hundred bucks to set fire to the damn thing?" We wanted to be rid of it, and here comes the October storm, and the Columbus Day storm wipes it, so we had a tax write-off for the barn. So we're rid of it. [Laughs]

CH: So it was — you were able to depreciate it at that point?

RETZLAFF: Well, we had depreciated it, up to that point, and then we took a loss. Now it became a total loss. The property was lost. The storm loss, you know, a wind storm loss. I don't think we had much insurance on that, I don't know about that phase of it. We don't — didn't care about the insurance, but we wanted -. [Laughs]

CH: An act of God.

RETZLAFF: Oh, it sure was an act of God. Yeah. God was on your side once in a while. [Laughs]

CH: How did Fred Meyer come to expand his services? He went into variety and drugs — first drugs and retail clothing for men's, women's clothing, and then variety. How did these — how did this evolve?

RETZLAFF: Well, that evolved first, of course, from the little drugstore on Alder and then gradually there was a — Hollywood got a drug department. Apparel came a little later. I don't remember now when. There was an old friend of Fred Meyer. Oh, he was from New York and he'd grown up in the apparel business. Sorry, I can't think of his name.

CH: Someone who came out here, then, from New York?

RETZLAFF: Well, yeah, but Meyer had known him there and — no, it was after these people — it'd be in there somewhere. And then he started our apparel line. And Mrs. Boyle, who was Mrs. Meyer's sister, then — and she knew something about apparel. She had been in apparel stores and became our apparel merchandiser.

Oh, Dave Friedman that was the — Dave Friedman was the New Yorker. It wasn't Dave, was it? Anyway, he helped us along with that and got us in touch with the apparel trade in New York. What is that district? The...

CH: The mercantile...

RETZLAFF: The garment district.

CH: The garment district?

RETZLAFF: Yeah. It's still there. They walk around. You can see them,,,

CH: With racks of clothing.

RETZLAFF: They bring those clothing racks from one place to another and the garment district in New York, and I think it's still in the same area there.

Bert Friedman. Bert Friedman was the guy. And he was a smart guy and taught us a great deal on apparel, because that was new to us, and that's how it got started.

CH: Then, on advertising, how did the — how did that evolve in Fred Meyer? Do you recall much on the advertising department?

RETZLAFF: Well, of course — yeah, we had a separate advertising department. When that — well it started out with, we made our own layouts. Of course we were — we got to be big advertisers, so the papers worked with us and helped us set that up because we were probably the biggest advertiser in *The Oregonian*. The *Journal* — in those days there was the *Journal*, the evening paper; so they helped us, and then the suppliers helped us. They wanted to get into our ads. If we could have Levis in our ad, that helped them in turn, and they contributed. There were advertising allowances they gave us, and it was a matter of give and take. And so that started early, because as soon as this type of merchandising caught on, well, we were — we became prominent in that field, and the advertisers sought us out.

CH: Going back a bit on the location of the stores, you had mentioned that you worked with the insurance companies to borrow the money from them, and with Norris, Beggs and Simpson. How would he go about finding a specific location? What was his knack of locating a store? How would he determine that?

RETZLAFF: Well, that had a lot to do with traffic. Traffic is really the key to that. I mean, you wanted people to come to your store, and the easier they can get there — so it had to have access to main highways. This dates back to the days before the interstate, but that — of course, there are always main roads. Some roads were more important than others, so you had to have access to those roads. We worked very closely with the highway commission, with their engineers, and studied their plans and...

CH: What would they tell you? What was their — how would you work with them on that?

RETZLAFF: Well, Meyer did a lot of that and then later Oran Robertson. And, well, they — I mean, their plans were public. We didn't get inside information, but that was public property. I mean — yeah, public knowledge where highways were going to be built and so.

CH: But it was all public information, that wasn't...

RETZLAFF: Oh, yes. Yes. We were not privy to any secret documents at all. No.

CH: Okay.

RETZLAFF: How are we doing?

**[End of Tape 3, Side 2]**

**Tape 4, Side 1**  
**1989 February 22**

CH: This is an interview with Herb Retzlaff, in his home in Portland, Oregon. The date is February 22nd, 1989. The interviewer for the Oregon Historical Society is Clark Hansen. This is Tape 4, Side A.

In our last session, we were talking about how Fred Meyer located his stores and were you involved in that process at all?

RETZLAFF: No, I wasn't so much involved in the store locations. He worked closely with the highway commission, with people like Glenn Jackson, Norris, Beggs & Simpson. Dave Simpson was a good friend of Fred Meyer. I mean an early associate and then became a good friend, a good personal friend of Fred Meyer. Maybe we mentioned that, didn't we?

CH: Yes.

As the stores expanded throughout Portland, there was some resistance to certain stores being built. I remember in the Eastmoreland area there were some problems with the neighborhoods there, the neighborhood groups who didn't want a store built. Were you involved in that dispute at all?

RETZLAFF: Well I wasn't. Indirectly, yes, I mean this was a matter that would be discussed at the executive meetings, and so I knew about it. If it resulted in lawsuits, I would get involved. But, see, in Eastmoreland — we never did build a store there, did we?

CH: No.

RETZLAFF: No. That's right.



CH: That was halted in 1938.

RETZLAFF: Yeah.

CH: Were there any of the other stores that there were difficulties with the neighborhoods?

RETZLAFF: Oh, I think there were, yes. Quite often people didn't want a big store in their neighborhood. I can't think of any serious controversy because we needed zone changes to build a store, and that's how these things came about. And then there were hearings, and there would — people from neighborhood groups would appear and would tell their story, and then the zoning commission or board, whatever the term was, would make the decision. And I think generally we prevailed. I think we had good reasons and could show that it would help the growth of the locality.

[Tape stops]

CH: As the stores were growing, how were your relations with the suppliers? How did you develop those relationships and find suppliers for all these stores?

RETZLAFF: Well, in the early beginnings, of course, Fred Meyer himself did the buying and Mrs. Meyer, also. As the volume expanded and the company grew, other people came into the picture: the specialists in their own lines, like the specialist in produce or in dry groceries, or then later in variety, drugs and variety. Eventually we had a prescription man. So it was a process of evolution, and as these other people were brought into the picture then they did the buying, and they would deal with suppliers. The buyers would deal directly with the supplier and make their deals and set the prices, handle the markdowns. There are always markdowns, you know, stuff that's not moving as readily. So it was an evolutionary process.

CH: Were there any areas in the store that Fred Meyer had particular interest in and maintained some involvement in the buying aspect of that department or division?

RETZLAFF: No, I can't think of any particular areas where he kept a hand in. Well, he was a hands-on manager, and he would sometimes get into individual problems or have some comments or directions to give on what lines we would carry. But generally speaking that was left to the buyers. Now, in Mrs. Meyer's case, I think she was highly interested in what we called the kitchens, which involved the preparation of the food for the restaurants or the candy kitchen or the bakery, those departments — food manufacturing and processing.

CH: Did she stay involved in that area then while she was at Fred Meyer?

RETZLAFF: Yes, pretty much. Well, she also then took over the candy and tobacco sections.

CH: At that — during that time there were certain promotionals that were developed there. Earlier there was the “buck money” auction and other types of promotionals. Did you have any involvement in developing that? Or the advertising?

RETZLAFF: Not so much. No. No. Killoran had something to do with that. And then we had sales promotion, eventually, as that became a separate department, the sales promotion department, and they would work with suppliers. And we would get promotional allowances, and suppliers were anxious to get in to take a space in our ads because it helped to promote their merchandise.

CH: What kinds of incentives were there from suppliers to Fred Meyer?

RETZLAFF: Well, there were monetary incentives. There were usually — they would buy space sometimes in the newspapers or they would give us special deals, maybe a certain amount of free merchandise for promotion. Various types. It was to their interest.

We never tried to be dictatorial about it and never tried to bring any pressure, but it was a matter of give and take and was to the mutual interest of the suppliers, they wanted to sell their merchandise, and of Fred Meyer. We needed their goods and their cooperation.

CH: Were these incentives offered to other retailers as well, in the same way?

RETZLAFF: Generally, yes. I think so. We — for a long time we were the dominant retailer so there were relatively few that would match Fred Meyer in volume, that they could offer the suppliers. Eventually, of course, there were other chains that, like Safeway, Albertsons. But still, Fred Meyer's volume, I think to this day, is one of the very dominant retail outlets in this part of the country.

CH: How did the other retailers feel about this arrangement between suppliers and Fred Meyer?

RETZLAFF: Well, there is always of course competition between retailers, and there were some fair trade laws, and they were always questioning whether we were observing the fair trade laws or are we getting more than our share, and there were inquiries in that area. Yes. But I don't recall any serious problem that we had on that account. It was one of those ever-present problems that you had to deal with.

CH: Maybe we could discuss a little bit the Fred Meyer Company management style and how it evolved. I believe you had mentioned earlier that there were no store managers. I'm wondering, first of all, what kinds of communication went on then vertically through the store from a section to a division and to the merchandiser, and then also

what kind of communication went on between departments in a store, or between divisions, between units and sections.

RETZLAFF: Well, the communications followed the merchandise lines. The merchandiser was in charge of a merchandise division. Let's say the food merchandiser would handle the food departments in the store, and the food managers, we called them section heads — well, I take it back.

We had a food department. Okay. That was a department and within each department we had a section, which was the produce section, the dry grocery section, the delicatessen section, the meat section. That was probably it in the food. In the drug and variety, we had a drug and variety section that — we had a prescription section, which was in charge of the pharmacies. There were garden shops. They came under drug and variety. I think that's basically it.

CH: Was there any feeling of working for one store in an area, rather than another? Was there any kind of unity in that particular store?

RETZLAFF: No. It went down the line by merchandising divisions. Now, certain promotions — there were always store meetings, and within the store then certain promotions there were coordinated; for instance, some kind of a spring promotion. Well, then everybody took part of it. The food did their share, the drug and variety did, and so forth, so there were store meetings that coordinated that. And then on the higher level there were general meetings where all the merchandisers and the section heads met and got together.

CH: Was that the general ExC?

RETZLAFF: No. These were — what did we call these meetings? Well, I take it back. Yeah. I guess the — alright, there was a general ExC that was once a month that did

include these people. The regular ExC, which was three weeks in the month, did just included the top people: the merchandisers and Fred Meyer and Mrs. Meyer and me. That's about it.

CH: Who would be involved in the store meetings?

RETZLAFF: In the store meetings, all the section heads and assistant section heads, and various sections would make up a department. In other words, there was the food, the produce section. There was the dry grocery section and the meat section and so forth. I guess I mentioned that.

CH: So, for a problem that would be peculiar to just one store, say a parking problem or something about the store structure, organization within a store, would that be taken up by these store meetings?

RETZLAFF: Well, that's right. There was — for instance, there were certain — they called them chairmen. There was a parking chairman that, and so somebody took care of the — taking care of being that the place was neat enough, being swept, and housekeeping. Yes. There were assignments and someone — each of these people got a special assignment in that area. That's correct, because there were storewide problems that had to be taken care of. Yes.

CH: Were these usually section heads that would be taking over these positions?

RETZLAFF: Yes. Yes.

CH: And then they would report back in the store meeting?

RETZLAFF: Yes, I think so.

CH: Were the store — did the store meetings happen on a regular basis?

RETZLAFF: Yes. I'm quite sure. I think once a month, anyway.

CH: What incentives did the employees have to dedicate their lives so completely to Fred Meyer?

RETZLAFF: Well, we gave a lot of thought and a lot of effort to that. Incentive was the key word. That's why we developed a rather elaborate bonus system and kept fine-tuning that as we went along. I think I mentioned that in case of the key people, the bonus amounted to as much or more than their regular salary. That was in good years and it so happened that we always had good years. Had we struck poor years, of course the bonuses would have suffered. The salary compensation would have gone on, but in all the times I can think of the — and I think that is still true today. The bonus system is a good part of the compensation.

CH: How was it set up, do you know? How it was organized?

RETZLAFF: We developed bonus pools and certain parts of the profits, a certain percentage of profits would go into the bonus pool. The pools then would be divided into pools for merchandisers. Well, there was one for executives, merchandisers, section heads, and then another pool for buyers, and it became quite a complicated deal. We gave a lot of thought of how much money should be put into each pool, because we wanted it to be fair and we wanted it to be a real incentive for people. And the bonuses were paid, as I recall, twice a year. Yeah, I think that's it.

CH: Were there other incentives beyond the bonus pool for loyalty to the company and to work harder and longer?

RETZLAFF: No. I mean, compensation is usually the key to furnishing incentives.

CH: Did these incentives...

RETZLAFF: We had an elaborate grading and review system. Managers were graded according to certain points: sales performance, profit performance, housekeeping and employee relations. And then shared in the pool according to their grades. And we would have review sessions with these people and stress their good points and tell them where we felt they needed improvement. So that was an important part of our management system. Yeah. That tied the — because the organization is only as good as the people that are pushing it, and the larger the organization grows, the more you have to get the people down the line involved to do a job.

CH: How high up the ladder of management would the grading go?

RETZLAFF: Well, I think it went all the way up, including the merchandisers. It didn't involve people like Fred Meyer or me, but we in turn would review the merchandisers. So we had, the management had a pretty good idea what the people did, who the good performers were and who the weak sisters were, if there were any. I guess personnel relations and personnel incentives were really one of the very keys of management.

CH: Who would give the reviews to the merchandisers?

RETZLAFF: Well, they would be reviewed by Fred Meyer and myself, and I think we would be the people sometimes that talked to them. And then as it went down the line, there were others, and the merchandisers in turn would handle their people. We wouldn't talk to them though.

CH: When you reviewed the merchandisers, would that be done individually?

RETZLAFF: Yes. Yeah. I mean we didn't have a group meeting and point the finger that you are good and you are bad. No. No, it would be done strictly in a private meeting.

CH: Would that happen in your office or Fred Meyer's office?

RETZLAFF: Yes. Yes. Usually.

CH: They would come and then they would sit there and hear this review of their...

RETZLAFF: Yeah.

CH: And the review was not only — what was it just for their own performance or was it for their whole department all the way down, their whole division all the way down?

RETZLAFF: Well, their own performance, the higher up they were, of course included the performance of their own department, so it would necessarily involve a review of what went on below them and maybe a criticism. Maybe you didn't inspire your people enough, or didn't supervise them enough, or whatever. But that was strictly in private review. Yes.

CH: What kind of feedback did you receive from Fred Meyer in terms of your own performance on the job? Or did you get any?

RETZLAFF: Well. [Laughs] I worked so closely, if he was put out about something, I knew. [Laughs]

CH: Right away.



RETZLAFF: Yeah, I mean it was a matter of give and take. There was no formal review, in that sense. No. We had worked so long together and so close together. That doesn't mean that he didn't have criticism and didn't voice them. [Laughs]

CH: Can you recall any incidents where there were any problems to work out?

RETZLAFF: I think I mentioned one instance when he tried to get something, wanted to do something that wasn't quite kosher under the tax laws. Didn't I mention that?

CH: You mentioned that. It may have been off tape, though. It may have been before we started. I can't remember at this point.

RETZLAFF: Well, I can repeat it. This was one that particularly sticks in my mind. He wanted to do something. I don't know what it was. It had something indirectly to do with the tax laws. He thought this was quite all right, and he kept harping on it. And he came back and came back in a different way. He said, "Well maybe we could approach it this way." And I said no.

So one evening we were both alone in the office. I quite often worked late and so did he, and he came along with this thing again. "Now, I think if we did such and such." And I got so mad that I banged my fist on the table and said, "I've got enough. I'm through!" And I took my papers and threw them in the desk drawer and got up and said, "I've had enough! I'm going to quit." And he went back to his desk.

Well of course in a job like mine, you don't just quit. You have — I had meetings scheduled the next day, and so the next morning I came in, and he was sitting at his desk and I went to my desk and did what I had to do.

**[End of Tape 4, Side 1]**

**Tape 4, Side 2**  
**1989 February 22**

CH: This is an interview with Herb Retzlaff. The date is February 22nd, 1989. This is Clark Hansen for the Oregon Historical Society. This is Tape 4, Side B.

So you slammed you hand down on the table, and you said you were going to quit.

RETZLAFF: Yeah, and walked out of the office. The next morning I — he was sitting at his desk. I went back to my desk. We looked — we saw each other, but nobody ever said another word about it; none of the two of us.

CH: That was the end...

RETZLAFF: That was the end of that incident. I mean, he could get a point. [Both laugh] And he respected you for expressing your opinion. He didn't want yes people around. No. He wanted people that would — stood up for their rights, and he respected you for it.

CH: Were there any other incidents like that?

RETZLAFF: Oh, I don't — no. I don't recall anything that came as close to a confrontation as this one. No. [Laughs]

CH: Did you witness any other confrontations between Fred Meyer and other members of...

RETZLAFF: Oh, yes. I probably did. I can't cite you any particular incident. He had quite a temper. He was — he generally had himself under control, but he was not an easy man to get along with, by any means. [Laughs]

CH: How would you characterize his relationship with his son, Earle A. Chiles?

RETZLAFF: Well, Earle was a very nice man. By nice, I mean he wanted to be nice to people. He liked to get along with people. He was not a very strong-willed person, and he was entirely under Meyer's spell or dominance. In fact, often Fred Meyer would have to urge him, "Now, Earle. What do you think about this? Why don't you express yourself on this?" Well, Earle would say a few things, but Earle was not a really strong and domineering sort of person. He was an extremely nice man. He was good-hearted.

CH: Was — in your reference a minute ago to Fred Meyer respecting people who stood up for their views or opinions, was this then a problem with Earle Chiles? If he would not stand up for his rights?

RETZLAFF: Well, Earle was an entirely different type of individual, and he didn't like confrontations. He shied away from, well, from a good fight, let's say. He saw — it probably was natural, that he — Meyer being just the opposite, a very domineering sort of a fellow that stood out in a crowd and dominated the people around him, so it was probably natural that it would develop that way. Fred Meyer was good to Earl. I mean, he — because he was very fond of Mrs. Meyer. But the working relationship was, well, let's say one-sided. [Both laugh]

CH: What was the working relationship like with Eva and Fred?

RETZLAFF: Oh, Fred Meyer, he was very, very fond of Eva. But of course in meetings — when he had an ExC meeting and he wanted to make a point, and this was something that she didn't agree with, he would talk to her very, very directly, and he would get so lost in his problem that he would talk to her in a way so that it was sometimes a little embarrassing to the rest of us. But he forgot himself entirely. He was on a subject, and he

— I wouldn't say, can't use the term "gave her hell," but he made his point so vehemently that — so...

CH: What would she do in a situation like that?

RETZLAFF: Oh, she'd probably then keep quiet. She knew him well enough, of course, [Laughs] and they were both very, very fond of each other, and after the decision was over, between them it was all forgotten and so. But that was just his nature. He got so involved in a problem that he forgot everything else and whether it was she or whoever it was that didn't agree, and when he wanted to get it across, he would be very, very vehement and direct about it. That was just his nature.

CH: Is there anything else you could say about F.G.M.'s management style?

RETZLAFF: Well, he was a hands-on manager. When he went in a store, I mean, he didn't just walk through it. No. He saw what was going on, and he'd raise hell if it wasn't what he thought it should be, and he made notes, and he would — he looked and saw and found fault. Oh, also commented; if he saw something right that he liked, he would probably compliment the particular section head or whoever had something to do with it. But he was very much involved in whatever he did and wherever he went.

I think I mentioned before that they traveled a great deal, and he knew all the prominent chain store people all over the country and visited them and talked to them and visited their stores and, again, made notes and observations. And if he saw something in Houston, Texas, that he thought was — could use, then he would use it; or in Boston, or wherever it was.

CH: And did these people also come out and visit his stores, as well?

RETZLAFF: Oh, yes! Oh, lots of people have come through. Yes, to Fred Meyer stores. There was a chain of stores in — I can't remember if it was Norway or Sweden. They were not exactly our types. Well, they were chain stores, but they hadn't developed to our size. But they came to visit us, and they sent — one of their sons spent six months in our stores, in various stores and departments to learn all he could.

Well, there was a constant interchange, and people came to visit us all the time. I mean, Fred Meyer stores were known all over the country, and yes, there was a constant exchange, interchange of ideas. Many people came visited us. There were other instances where people stayed with us for a while and observed.

CH: As the stores grew, how did the distribution system evolve?

RETZLAFF: Well, of course, originally we would buy from wholesalers. Then, as we had more and more stores, it became apparent that we could probably effect savings and do the work more efficiently if we had our own warehouse. I think the — yeah, that led to the warehouse at Swan Island where we had property. Who was the builder? I just met him a couple of months ago here, again.

CH: That was your first warehouse?

RETZLAFF: Yeah, but this man built our warehouse, and he also then built all of our stores.

CH: Oh, right.

RETZLAFF: Oh, I'm trying to think of that name.

CH: This is a local architecture firm.

RETZLAFF: Oh yes, yeah. He's still around. He built the Hilton Hotel, as a matter of fact.

CH: Yes. I remember reading about that. Well, then you had a warehouse at Sullivan's Gulch?

RETZLAFF: Wait a minute. Was that Ander? Oh, Anderson! Anderson Restaurant. Andy. Andy Anderson.

So Andy Anderson built the warehouse for us on Swan Island. And that was the first time, I think, in this part of the country where tilt-up construction was used. It's very common now. Tilt-up construction means you pour the wall on the ground to build a frame and you build the wall. And then, after the concrete sets and it has hardened, the walls are lifted up — tilt up. You tilt them up and put into place. They are anchored by — in between. They built columns in between that hold them. And tilt-up construction is — I think they would be a common type of construction now, but Andy pioneered that, at least for us down on the Swan Island warehouse, and then later on most of the stores were built using that type of construction.

So it's Andy Anderson. He built all our stores. I can't think of any exceptions. Well, there may — I don't know. Later on as we went into Utah, so maybe that others became involved. But he did here and in Washington, I think Andy Anderson always was the builder.

CH: And then after that then you had — you built the warehouse in Sullivan's Gulch? Is that- did that happen after the...

RETZLAFF: Did where?

CH: Sullivan's Gulch? The warehouse that was built in Sullivan's Gulch in 1945. I believe the city...

RETZLAFF: Oh. Wait a minute.

CH: Was opposed to that being built.

RETZLAFF: I guess I'm — [Laughs] my memory isn't that good. I'm — it's the other way around. I think that was our original warehouse, Sullivan's Gulch. And when the Gulch — the freeway was put through there, we lost a part of that warehouse, and then that led to our going to Swan Island. I think that was it. Yeah, there was a warehouse in Sullivan's Gulch. You are correct. You know more about those details than I do now. [Laughs]

CH: But Fred Meyer was adamant about building the warehouse in Sullivan's Gulch, even though the city had...

RETZLAFF: No, no, no. The warehouse in Sullivan's Gulch was the original warehouse. We warehoused there, but we lost part of that land when the — it was taken away from us for the road. They cut the road through there, so you had to — I mean we had to make it or the warehouse would have fallen down. [Laughs] Break. And, yeah, we were involved and so was the hospital, there. They were not far from us. Is that Emanuel, maybe?

CH: Just to the north? To the north of Sullivan's Gulch?

RETZLAFF: Yeah, that was...

CH: Emanuel is up that way and Providence is...

RETZLAFF: No, I think it was Providence.

CH: Further?

RETZLAFF: Yeah, I think it was Providence. I think it was a Catholic hospital.

So that was our original warehouse, and then we went to Swan Island, where we had plenty of room for expansion.

CH: Do you recall how the distribution was organized to be able to serve the purposes of all these stores that were going up? Did they get all their supplies from there?

RETZLAFF: Well, we contracted that through the Risberg Trucking Company. I think Risberg came in in the early days, and he handled all our trucking. Risberg.

CH: And so all the supplies then came from these stores and were distributed out to the other Fred Meyer stores.

RETZLAFF: Yeah.

CH: Did that include produce and other things like that?

RETZLAFF: Well, yes. Yes and no. There was some produce that we could store. Most of the other fresh produce was brought in directly into the stores by growers, but there were certain things like, I don't know, I think melons, for example, so that we could store for a while in our warehouse, and then distributed through Risberg. And Risberg handled all our distribution for a long time. He didn't have — let's see.

The other was a young Risberg. They also ran a truck line to the coast, and I think young Risberg handled that business. And Risberg himself, he had a daughter and she was killed. She was quite a horsewoman and she was killed in, I think in a horse fall. And so he had lost heart and didn't want to continue this business, so we bought the trucks from him, and that led to the Fred Meyer then running its own trucks. I forgot when that was; probably in the 1940s or so. 1950s.



CH: How would you characterize the early labor relations with Fred Meyer during this period?

RETZLAFF: Well, as a matter of fact, Fred Meyer could see the — he could recognize the role of unions in the labor field, so he helped unions organize our stores. He knew it was going to come sooner or later. So he helped organize the grocery stores for the food clerks, and before they even showed any desire to come in, or so.

CH: Why did he do that?

RETZLAFF: Because he could see the handwriting on the wall, and he thought it would be well to be first and to be there and to have the relation established rather than have people come along and try to organize his workers. And it was one of his forward-looking moves. And I think it proved out because, eventually, I mean, all the food stores were organized, the food clerks more so than any other group. So sooner or later it would have come about and then maybe it would have led to pickets or confrontations. This way, it was a matter of accomplished fact.

And our labor relations were handled by Lubersky, who was our labor attorney. He was an attorney for many, many years until fairly recently.

CH: I noticed in the material that you gave me last week that there was a note from Fred Meyer thanking you for working as a clerk in the 1955 retail clerks strike. Do you recall that?

RETZLAFF: Oh, yes. Well, we did have strikes off and on, you bet. So then in order to keep the stores open, yes, a lot of us would go, and we'd man the check stands or do this or that if we could help. I probably didn't spend as much — I had to be in the office for a good part of the time, but I remember evenings or so, or on off-times, I would go

and maybe weekends and work in the stores. Yes. Yes. We did, of course. When there was a general strike, we were involved and we couldn't get away from that. So, that's true. I remember that, too, now.

CH: Were you involved in the pharmacist strike in 1958 at all?

RETZLAFF: Well, personally, no, I could work in the grocery store, but I couldn't help – I couldn't work in the pharmacy. I probably would have killed more people than, from mixing the wrong prescriptions. [Both laugh] No, that was strictly a professional deal.

We did have – like I talked about the buyers. So we had a buyer for our prescription and a supervisor. We had prescriptions supervisors, and those kind of people would man – now, there weren't enough to go around, so maybe they would man one pharmacy on the west side and one conveniently on the east side, so that people could get prescriptions filled, but we – that was a little difficult problem, because of they were professionals.

CH: Yes.

RETZLAFF: They couldn't be replaced. Anybody can stack groceries, even if he doesn't do it in a very efficient way, perhaps. [Laughs]

CH: But were you involved in the negotiations at all?

RETZLAFF: Well, not directly. Lubersky handled that. I would get in on the tail end and I would get in on the discussions. How they wanted so much. Could we give them that? And why can't we? And I was very much involved in that, both Fred Meyer and I, because that was a matter then of management decision; how far we wanted to go. We can't give them everything they want. It was a matter of dickering, and Lubersky would be the go-between.

There was Elmer. Yeah, Elmer Williams was our personnel director. He, of course, had a lot to do with that. And I remember one time going to Seattle with Elmer Williams, and we met with – we did meet just the union there. It was kind of an off-the-record and informal meeting, but I met the union people. We got together in some motel, and it was quite an interesting day. On a personal basis, they were very friendly. I mean, they got to know each other. “Well, Joe, do you — [Laughs] we can’t do this. You know better than that, to ask for it even.” And then they’d come back and say, “Well, you know, you got to do something. We have to go back and have to have something to show.” [Laughs]

CH: So some of this negotiation was done, then, on an informal basis.

RETZLAFF: Oh yes, sure. Yeah. Yeah. And they were pretty good friends off the negotiating table, away from the negotiating table. [Laughs] So, I mean we’re all human and we all have foibles. [Laughs]

CH: Yeah. Well your transition from accountant, originally, in the company to controller, when you first came on to the company, who headed your department?

RETZLAFF: Well. Yeah, now I remember. I think I mentioned this. When I first met Fred Meyer and had contact with Fred Meyer, it was through a C.P.A. I worked for, a man by the name of Erickson. And he wanted me to go to work for Leonard Roberts, who was then the accountant for Fred Meyer. This was in the early days, when he had his office in the Alderway Building downtown. And I did work for only about six months, and then I had a chance to get back to public accounting.

I didn’t have my C.P.A. at that time, and I wanted to get back into public accounting and get my C.P.A. certificate. So — but I got to know Roberts real well and we became real good friends. We liked each other very much. So I went on and got into public accounting in due course. I became a C.P.A. and in 19...

**[End of Tape 4, Side 2]**

**Tape 5, Side 1**  
**1989 February 22**

CH: This is an interview with Herbert Retzlaff, in his home in Portland, Oregon. The date is February 22nd, 1989. The interviewer for the Oregon Historical Society is Clark Hansen. This is Tape 5, Side A.

RETZLAFF: And you asked me how I started in the early days. So he said, "Herb I need a good man. Why don't you come back as office manager?" And I was tired of public work at that time, so I said alright.

What I didn't know at that time, was that Leonard Roberts had already made up his mind to leave and therefore wanted me in there and knew that I would then take over his job. The reason he knew it and I didn't — this was a strictly personal matter which had something to do with his own family, his wife's affairs, so he wanted me back in. I didn't know exactly why. He said, "Well, no, there's room for two of us." But what he really — what he knew was that he was going to leave, I think it was about six months or so later, and so I stepped into his shoes, and it's how I got back to Fred Meyer. So I started out officially as office manager, running the accounting office, and he was the controller. But then as soon as he left, of course, I became the controller and we hired somebody else to run the accounting office.

Now, the accounting office is the office that takes care of sending out the bills, taking care of the bills for — well, it was mostly cash business; there was some credit involved on some appliances we sold. And then took care of the payment of our bills. That was a big job, of course, with the many items of merchandise we handled. So there was a great deal of detail involved, which involved all kinds of paperwork, and payrolls were a big job. All of that sort of thing, which eventually through — as time went on was mechanized, but more and more.

So then when Leonard left, I became the controller, and we hired an office manager to take care of the accounting office, which took care of all the paperwork which — and that was a constant job of updating that. We had the first I.B.M. punched

cards for our payroll. These were not computers in the sense that these were just punched cards. The card would be punched for every person with the amount involved and then they would be sorted. And they would be sorted by groups, by sections and payroll classifications and whatnot. That's how we worked out our payroll.

That's how we also then worked out our profit and loss statements. We worked out profit and loss statements for every store section. The section is the smallest unit in the store, as I've explained before. Then all these sections were put together on spreadsheets and added up, and originally that was manual work. A lot of it was done by computer operators who were trained and did it. They do it by touch system. They can work a computer. Then later, it was put on punched cards and then accumulated that way. And then eventually it led to getting an I.B.M. computer, and it was — to handle that.

CH: When would that have been? You started out with the I.B.M. punched cards at what point? Do you remember?

RETZLAFF: Yeah. Well, that — well, I came back in the 1940s, so it was probably after the war. Yeah, probably in the 1950s. Yeah, late 1940s and 1950s.

CH: How did your role change, then, as controller while the company was expanding and eventually in 1955 you were named as a vice president?

RETZLAFF: Well, that was a matter of changing titles, but the role itself I don't think changed. I think it was a matter of the responsibilities grew with the company, and also the work grew, so that, it meant that staff had to be added. The accounting office itself became a fairly large office with probably something, at its peak, I'd say something over 100 people. And the controllers department, again, probably had a staff of, say, 20 people or so.

CH: And what kind...

RETZLAFF: And eventually then that could be cut down by mechanization more. So my role really didn't change. It evolved to more responsibility, just as the company grew, but basically the responsibility was still the same. I was the guy that was responsible for setting the — accumulating the figures and the profit and loss information, and, on the other hand, looking to the future to working up the budgets, which followed the same principle; we developed a budget for the section.

CH: This would be the controllers department, rather than the accounting department.

RETZLAFF: That would be the controllers department, yes, yes, yeah. The accounting department just did the mechanical details of handling the paperwork. The controllers department had to do the budgeting and other thinking out what should be done, what should be accomplished, which involved a lot of conferences with the people involved. What they thought they could do. Or what we thought they should do. I mean, sometimes we — they might not set the goals high enough so that they could have an easy time getting their bonuses. [Both laugh] So there had to be some give and take and some matter of intelligent instructive discussion and so on.

CH: When you became a vice president, and there were a number of people who were named as vice presidents at the time in 1955, was this a significant point for the company? Was this a major event?

RETZLAFF: Well, it was played up as a major event. Yes. It didn't actually change the duties of anyone of those individuals. It was became a change in titles. But it did mean that — yes, the people, at least on the organization chart, in fact, became more tied in with the management structure of the company, yes.

CH: At that point, Fred Meyer relinquished his position as president and became chairman of the board, and I believe Earle Chiles became — took over at this point.

RETZLAFF: Yes, that's right. Correct. Yeah.

CH: How did this affect the day-to-day affairs of the company?

RETZLAFF: It didn't. No. That didn't affect it at all.

CH: Was Fred Meyer just as involved in the company on a day-to-day basis as he had been before?

RETZLAFF: Oh yes, yes, yes, yes. It wasn't — there was no change. It happened at a time when they were just taking a trip to Europe, so we were left alone for a while. [Laughs] It didn't change the management style or form. No.

CH: Well, what was Earle Chiles' function, then, as president?

RETZLAFF: Well, actually it was no different because Fred Meyer ran the company. He...

CH: So what would Earle Chiles do then? What did he actually do?

RETZLAFF: Well. [Laughs] Good question. I should — well, of course Earle had certain duties which had to do with supervising the stores. I think he was somewhat more involved in the drug and variety line and did some direct supervision there.

CH: Would instructions from Fred Meyer be...

RETZLAFF: Oh, Fred Meyer had...

CH: Would these instructions be sent down through Earl Chiles or would he deliver them to the merchandisers himself?

RETZLAFF: Well, he'd, of course, sit in in ExCs, and he got his instructions probably in that manner, in ExC meetings, executive meetings.

CH: Did Earle Chiles participate very much in the ExC meetings?

RETZLAFF: Oh, he did. Yes. I mean, we all did. I mean, he came to work every day, and when there was a meeting, he had to go to the meeting. Sure. He certainly did. And he participated. I mean, he didn't assert himself as much as some of us, but he did. Yes. And I'm trying to think. I cannot think of specific assignments, continuing assignments. I think sales promotion reported to him in some of those areas.

CH: Would that be sales promotion for all the departments?

RETZLAFF: Yeah, yeah, yeah. Sales promotion, and then they worked then with the newspapers and the other media.

CH: Who would you say asserted themselves more on the ExC when you would get together for your meetings?

RETZLAFF: Oh, Fred Meyer. You mean mostly or who carried the...

CH: Beyond Fred Meyer. Who was more assertive in these meetings?



RETZLAFF: Oh, that depended on the individuals. As far as a ranking member in authority, I was, probably, I was the number two man after him. But there was Mrs. Meyer. There was later on Mrs. Boyle, who was Mrs. Meyer's sister and who had considerable experience in the apparel business. I think she had worked in apparel stores in New York, and she took over that end of our business, and she became a member of the ExC. Mary Boyle.

CH: Were there...

RETZLAFF: She was quite an assertive woman and...

CH: Were there other people that were more outspoken than others on the board?

RETZLAFF: Well, as time changed, the composition of the board changed, so the people changed, and so some people are more assertive than others. I can't think of anybody right now. Yeah, Mary Boyle was quite — she had an opinion and she'd voice it. She was — her merchandise was sort of a specialty. We didn't — the rest of the merchandisers didn't know anything about apparel, I mean, and it came in as something new for Fred Meyer. As the business grew, we felt, well, there was room for apparel.

And then later, Bert Freeman came in, who was also a specialist in apparel. He was a New Yorker that had grown up in the garment trade in New York. As a matter of fact, he taught us a great deal, and I personally — I know a number of times when I had to go to New York, Bert had to go also on a buying trip, and I spent quite a little time with him, and I learned quite a bit from him. He was a very shrewd individual, and he knew New York inside-out, and I learned quite a bit about New York, too. The good restaurants and such. [Both laugh]

CH: And even though Eva Meyer was secretary/treasurer, she really didn't perform in a treasurers' capacity?

RETZLAFF: No, no. That wasn't her line. She held that title because of her stock holdings and she would sign documents as secretary/treasurer. But I had to take care of the details of that, and she didn't pretend to be. I mean, she wasn't — she was a major stockholder, so that was her title.

CH: In 1959, Fred Meyer acquired Marketime Drugs in Seattle.

RETZLAFF: Yeah.

CH: Do you know why he sought out Marketime for acquisition? What was his vision of where that acquisition would lead the company?

RETZLAFF: Well, we did think that we could — we wanted to expand more in Washington, and we thought that would give us an opportunity to get a foothold in Washington.

CH: What was...

RETZLAFF: I'm trying to think how we got first in contact with — hmph, boy.

CH: What was his interest in pharmaceuticals? Where did that stem from? Was that — did that stem from his original struggle to get into pharmacies with the Alderway?

RETZLAFF: No, no. There was no particular interest. It just — when the stores grew, and as we got into non-foods and drug and variety, it just helped to round out the customer facilities. In other words, the people that traded in our stores, they came to us for their food, for their main non-food items, eventually for apparel. So prescriptions was just another item. If they could have their prescriptions filled there, it was another

convenience to them and also tied them to the store, so it was just another way of expanding the facilities to serve the customer better, and so that led to the pharmacies. It wasn't any particular interest of Fred Meyer's in pharmaceuticals. No. It was just a matter of adding that, and then apparel was just another one of those things that was added on to furnish those facilities to our customers.

CH: Did Marketime...

RETZLAFF: The garden stores was another specialty. Go ahead.

CH: What were?

RETZLAFF: The garden stores. Garden centers, they call them.

CH: Did the Marketime drugstores only deal in pharmaceuticals or did they have other items in their stores?

RETZLAFF: No, they did not deal only in pharmaceuticals. They dealt — they had regular run-of-the-mill drugstores. They had pharmacy departments but they were drugstores. You could go in there and buy aspirin or lipsticks or whatever you buy in a drugstore.

CH: Did he see these outlets as being possibly expanded into Fred Meyer stores?

RETZLAFF: Oh yes. Yes, of course. That was the objective. As it turned out, most of the stores we later closed or sold because they were not suitable in location or in structure. I think the one we did keep (we kept one or two only) where, in fact, the one store where the office was, the Marketime office. And then we also bought a chain of grocery stores.

CH: This was later?

RETZLAFF: Well, a little bit later, but not too far.

CH: The Roundup Stores?

RETZLAFF: No. No, no. This was not Roundup. This was – damn. I can't think of the...

CH: B&B?

RETZLAFF: No. No. They were Roundup. B&B came later. That was in Montana. No, these were a chain of food stores, which we didn't keep very long because they were not really our type stores. And the fellow that ran them wanted to get out anyway.

CH: Is this Market Basket? The Market Basket stores from Renton, Washington, that were acquired in 1965?

RETZLAFF: Yeah, that might have been. I think it was Market Basket. Yeah.

CH: What — when Marketime came into Fred Meyer, John Davis joined the Fred Meyer Company at that point, too.

RETZLAFF: Yeah.

CH: Do you recall how that came about? How the acquisition took place and how he joined the board?

RETZLAFF: Well, he took stock at Fred Meyer and joined the board. I'm a little bit vague on how the first contact was made, but when we met John Davis, we liked him. He

was a very competent fellow. John Davis came from an old, established Seattle company. He was quite wealthy in his own right and held — they had a lot of property in Washington. Yeah. As a hobby he was quite a horseman. He kept horses, and then he rode in races and cracked a shoulder blade a couple of times. This was typical. [Laughs] But he was a very capable guy.

So we wanted this to enter, to form an entrance into Washington. And it did give us that, even though the stores themselves, most of them were, or some of them were downtown, and then eventually we closed or sold some of them. They were not the typical Fred Meyer locations.

But John Davis became a prominent member of our board and he had very definite opinions. He wasn't afraid at all to speak his mind, and he stood up to Fred Meyer, F.G.M., very well and was respected. He still — well, the last time I saw him, he was here in Portland at the last meeting, a Fred Meyer meeting, Fred Meyer, Inc., when the company was taken over by Kohlberg, Kravis and Roberts. And we had quite a chat at the meeting, and we both felt a little bit sorry that that was an end of an era.

Then later, of course, Kohlberg, Kravis and Roberts had to go public again. That's the way they have to get their money out, [Laughs] put the stock on the market then. So...

**[End of Tape 5, Side 1]**

**Tape 5, Side 2**  
**1989 February 22**

CH: [Laughs] This is an interview with Herbert Retzlaff in his house in Portland, Oregon. This is Clark Hansen for the Oregon Historical Society. This is Tape 5, Side B.

About this time in 1959, there were some legal challenges to Fred Meyer, one where the Federal Trade Commission accused Fred Meyer with soliciting discriminatory prices or promotional allowances from several suppliers. It was in regards to the coupon books.

RETZLAFF: Oh yes, yeah. Yes, I remember that. That went on. We went around and around. As I recall, it was compromised in some way. We did forego certain practices. Maybe we didn't issue a coupon book for a while. And then when we did issue them again, it was a different form, so it was a matter of compromise, and nobody ever went to jail for it. [Laughs]

CH: Well, eventually it went to the Supreme Court, didn't it? U.S. [United States] Supreme Court, in the late 1960s?

RETZLAFF: Yeah, I guess. Yeah. Yeah.

CH: But you weren't involved in that lawsuit.

RETZLAFF: Well, of course, I would — well, I mean on the fringes, of course, because it was very much discussed with us, and I always worked very closely with our lawyers, Stoel, Rives, Boley and [Fraser], and so forth and so forth. It is the largest law firm in Portland, with offices in Portland and also in Seattle now. So yes, of course, I was involved in that. The lawyers handled the details, of course. I was not a lawyer, but...

CH: Was it a setback for Fred Meyer when he lost it in the Supreme Court?

RETZLAFF: Yeah, I suppose it was. We couldn't go ahead and do all the things we wanted to do now. [Laughs] We didn't think we'd done any — well, all the legal technicalities.

CH: Later, in 1959, there was a Federal Trade Commission hearing on illegal rebates, and I noticed in one newspaper article that you were the first witness in those proceedings. Do you recall that situation at all?

RETZLAFF: Oh, yes. Yes, I remember. I was on the witness stand a lot, and they were waiting for some witness to appear, and the other attorney said, "Well, we could always interview Retzlaff. He is here." [Both laugh]

CH: I understand that Fred Meyer's brother — was it Henry or Harry Meyer?

RETZLAFF: Harry Meyer.

CH: Harry Meyer. He was also there at the suit — or rather at the hearing?

RETZLAFF: Well, he may have been. I had forgotten that part of it. I thought — could well be because he was the head of Hudson House, the wholesalers, and yes. My recollection is that he was called more as an expert witness. I don't know that he was directly involved in the case, but I believe he was called as an expert witness in the case as a wholesaler. Yeah.

CH: What kind of relationship did Harry have with Fred Meyer?

RETZLAFF: Well, I don't know. They came out here about the same time — together, I guess. What caused them to break, I don't know, but they wouldn't speak to each other.

Harry had Hudson House and Fred, of course, developed Fred Meyer to where it finally became the dominant retailer. But in this, one of these hearings, I had to go and see Harry, and he asked me a good many questions about Fred. I could see he kind of still felt — and this and that about Fred. And when I came back to the office, I told F.G.M. about it, and he kind of — he had mellowed by then, and he said, “Oh, did he? Did he? Well, nice to know something.” But something way back had caused the brothers to break up, and then they never spoke to each other.

There was a third brother, you know. He retained the name Grubmeyer. The original name was Grubmeyer, I think I mentioned that. And he had a little grocery store in the east side, Hawthorne or one of those streets, as Grubmeyer’s Grocery. He never expanded, never got big. He was just a little grocery man. Grubmeyer.

CH: And did he ever have any contact with him?

RETZLAFF: No. No, I don’t think he had either. No.

CH: Did he come out to Portland the same time as the other two did?

RETZLAFF: I think they did. I’m not — they probably did.

CH: Did you...

RETZLAFF: But I never met Grubmeyer myself.

CH: And did he ever have any contact after this point? After he mellowed, as you say?

RETZLAFF: No.

CH: He didn’t?



RETZLAFF: Not with Harry. They just...

CH: Were there other lawsuits that you were involved in, that you recall?

RETZLAFF: Oh, well there were lawsuits all the time, in one form or another. You run that kind of a business, there are bound to be lawsuits. Yes. None of any consequence that I know of. I mean some of them were settled, and nobody, so I say, nobody went to jail that I know of. [Laughs]

CH: I noticed in the letters that you gave me and from those papers last week that there was a letter to Governor Hatfield in 1959 where you were supporting Judge John J. Murchison as a circuit court judge. Do you recall that? Or why you were supporting him?

RETZLAFF: Well, interesting. Well, I suppose that is Murchison of Boley's firm, and I presume I did because I knew him, and yeah, all those fellows, yeah. John Murchison of Boley's firm. They were all good friends of mine, at least all the old timers. Now they have a hundred-and-fifty-some lawyers. In fact, some of the senior partners don't know all the junior members. [Laughs] But, yes. That must have been the reason why.

CH: I see. Well, at this point — right after this point, in 1960 then, Fred Meyer goes public. Maybe you could give me some background on how that transpired and what discussions there were in the organization about whether to go public or not?

RETZLAFF: Well, that gave us a chance to sell stock and raise equity capital, which made for a stronger company, plus getting outside money into the company. I think I mentioned before, that this — when I say the company, that meant Fred Meyer, Inc. It did not include any of the real estate companies. They were held individually by the Meyers, because we didn't want to mess up the balance sheet of the operating company with a

lot of mortgage debt and real estate is largely financed by mortgages. So that made for a stronger company and gave us the basis, then, for — to expand. That was the reason. Yes.

And I think I did mention this before, that just about the time we were ready to go public, Mrs. Meyer died, you know, which meant that — which was quite a shock to everybody, and a great shock and loss to F.G.M. because he was very fond of Mrs. Meyer, in a way.

CH: How did he react when he found out?

RETZLAFF: Well, unfortunately I was the one that had to tell him. It so happened that this was an ExC, morning of an ExC, and for some reason I didn't attend right then. I had to go back and attend to some things that I had to take care of. And while I was downstairs — the ExC room was on the top floor of the building where we were then, on Fourth and Yamhill. While I was there, the Fred Meyer secretary, was a man, came to me, and he was all shocked and white in the face, and he said, "You know, the hospital just called, and Mrs. Meyer has passed away." He says, "I'm not going to tell him," he said. So.

CH: How long had she been in the hospital at that point?

RETZLAFF: She was supposed to come out. They had a trip planned to Hawaii. She was supposed to come out of the hospital.

And, as a sidelight, later on I talked to my doctor, Dr. Hand, who was a real good personal friend of mine, Hand of the Portland Clinic, and he said, "You know, with what she had, that should not have ever happened. She should have never died." So he implied that something was mismanaged or mishandled, but that's just an aside. He had nothing to do with it. I forgot who her doctor was.

CH: What did she actually die of?

RETZLAFF: I really can't — there was some kind of a minor operation, what should have been a minor operation and turned out to be fatal. I don't recall that now, but she hadn't been ill for a long time. And as I say, she was scheduled to come out and they had this trip to Hawaii all planned. And then it happened. So it was a terrific shock.

I had to then go up, and I called Mrs. Boyle out, who was Mrs. Meyer's sister, and told her and said, "Will you call F.G.M. out?" and she did. He came and I had to tell him.

And his first reaction was, this sounds kind of profane, but he said "God damn it." That was his — he was very forceful. He didn't particularly swear a lot, but he "God damn it" and he ran off. I couldn't hold him, and he went over to the garage. We were on Fourth and Yamhill and the car was parked in the Pacific Building garage, and he got the car and drove up to the hospital.

And I got ahold of George Mead, who was one of our attorneys, and told him. And he said, "Oh my God! You let him go?" And I said, well, I couldn't hold him. So George drove up immediately to help him and to be with him.

And then Fred Meyer — I mean, he was very determined. He had lost — it meant a lot to him, that loss, personally. I know. But he wouldn't let on. And he said, "We'll go on with the going public. We have to call off the" — what is it? The diligence meeting with the brokers in New York because this changed the whole aspect of the stock holdings and so forth. But he said, "Let's go on anyway."

So Paul Boley and I worked all through that weekend. The ExC meetings were always on a Thursday, so this happened on a Thursday, and we worked all that weekend, and we hashed all the information and the what's called the "red herrings," the preliminary registration statement. It has a red ribbon, and also it is the name in the trade, is the "red herring." And got the stuff together and went to New York, maybe a week or so later than what the original meeting would have been, and met with Kidder, Peabody [& Co.] Kidder, Peabody were our brokers at that time.

And Meyer came along. He spoke a few words and then answered some questions and was very composed and conducted himself. And Dave Hayhurst of Boley's firm came along, but he didn't enter into things very much. I mean, there was no real occasion for him. He was there to answer questions, but there weren't too many. And then things took their course. The registration statement was filed, and in due course the stock was issued. So Meyer insisted to go ahead with that just the same.

CH: What was Eva Meyer's reaction originally to the possibility to going public?

RETZLAFF: Oh, she was all for it I mean, she could see — and in those things she was not particularly trained in the financial matters and she would follow his advice, which she could very well see that yes, it was a good thing for the company. She certainly...

CH: Was she also favorable to the expansions that were going on at the time? She also agreed with that?

RETZLAFF: Oh, yes. She sat in on all the meetings. Oh, very much so. Yeah. Yes. Definitely.

CH: And then what happened to her will? The foundation that was set up.

RETZLAFF: Well, her stock went into separate trust, because he was alive. And then, eventually, after he died, it all became the Fred Meyer Charitable Trust with both of their stockholdings in it. But she was very much involved in all this, and no doubt — I mean, at home they've talked further about these things, and we discussed all these matters with her.

She was a very bright woman and a good support for him, but she was not the genius in the company. People who didn't know too much about Fred Meyer and who had — who knew that she was involved in it and thought that — well, said something a

woman doing all that. So some people had the idea Eva Meyer was really the guiding genius in the company. Well, that wasn't the case at all. But she was a very capable woman. Yes. I had a great deal of respect and affection for her, and they worked hand in hand, and, as I say, I've no doubt that when they went home and so they talked further about it, and that she was involved in all of this, and she wholeheartedly took part of it and approved of it. Yes.

CH: They never had any children, did they?

RETZLAFF: No.

CH: Why do you feel that they never had any children? Would you know?

RETZLAFF: No, I don't know. [Laughs]

CH: That never came up as a...

RETZLAFF: No, no. He never expressed the wish to have children.

CH: Was he close to Eva's family at all? Was F.G.M. close to them?

RETZLAFF: Well, oh yes. Yes. She had family in the East. Chatfield. Eva C. Meyer was her name, and the C, of course, is for Chatfield. And there was a Chatfield optician and jeweler here, and I guess there were – oh, maybe they came out. He brought out a lot of these relatives of hers and helped to set them up in business. This Chatfield Jeweler was one of them.

And there was another man, the name escaped me. His family, he and that family came out. And he worked for Fred Meyer: I don't know what all. He was mechanically minded. One of the things I specifically remember. Those were the days when electric

blankets first came, so we sold electric blankets, and those were a far cry from the ones that we now use. They were quite sensitive and broke a lot, and he set up a shop to restring these electric blankets, and repair them; that was the specific thing that he did. His name escaped me. But he – yeah, and he also had a general repair shop. People bought a radio and maybe the thing didn't work or they had one and it didn't work. They could bring it in there and he would repair the appliances and that sort of thing.

CH: Maybe this is a good point to take a closer look at Fred Meyer the person since this is a critical point in the change in the company, where his wife dies and the company goes public. I was wondering if you could profile Fred Meyer as a person: what he was like philosophically, spiritually, his religious beliefs. What kind of a person was he?

RETZLAFF: Well, I thought I touched on all that, didn't I. His education?

CH: Yes.

RETZLAFF: I — he was not a particularly religious man. He was — I don't recall his ever going to church, that I know of. He did have — he was somewhat devoted to the Rosicrucian theory. I don't know whether you are familiar with that. In fact, he gave me one of their books, and I still have it. And he gave money to that. But other than that, I never certainly thought of him as a particularly religious man. No. That was the one thing he was interested in.

CH: What was his interest? How would you describe his interest in the Rosicrucians?

RETZLAFF: Well, I can't, really. I wasn't particularly interested in it, and he never spoke too much about it. I mean, he was never the kind of person who would try to convert you to something or the other. He told me about it, and he did give me this book, but other

than that, has never mentioned very much, so he wasn't the kind of guy that tried to convert people to something. [Laughs]

CH: He didn't have discussions? Philosophical discussions?

RETZLAFF: No. No, not philosophical about religion. You might say he had a different — he had ideas about the makeup of the world and economics and so, yes, we talked about those things perhaps, but not on religious matters. No. He was not — he was, maybe I should say, too practical and too outward-directed and then being inwardly-dwelling on metaphysical problems. [Laughs]

CH: How would you describe his philosophy? His philosophy of life? From the discussions that you had?

RETZLAFF: Well, I think his philosophy of life was positive. He wanted to do something worthwhile in life and he did it. And he wanted to do good things for people, which he did by building up his business, which provided jobs for many people, both in the business and outside the business. I mean, suppliers outside; people that grew stuff for our stores, you know, produce people. And so he did a lot of -.

He was very positive. He was action oriented, and what he wanted to accomplish was something good. He wasn't self-centered or egotistical about it. In fact, amassing money for the sake of money didn't mean anything for him. He was very, very simple in his own wants and he didn't smoke or drink. He'd take a glass of wine, perhaps at a meeting or so, but very, very moderate. They were both that way, both he and Eva.

So no, his outlook on life was to accomplish something and he did. And he did a lot of good. I think that you can call that his philosophy. Yes.

CH: How would you describe his relationship with the Salvation Army?

RETZLAFF: Oh, that was Mrs. Meyer's project. I don't know how she got into it but she, for many, many years, she worked with the Salvation Army. So when she died, Mr. Meyer took it over because it was her — she was so much concerned about it, and he wanted to — and then devoted himself to it. Gave a lot of money. And there was always a drive, a Salvation Army drive where we filled trucks at the warehouse, and they were sent, and the Salvation Army would distribute them. That was originally her project and then he took it over, because...

**[End of Tape 5, Side 2]**



**Tape 6, Side 1**  
**1989 March 1**

CH: This is an interview with Herbert Retzlaff, in his home in Portland, Oregon. The interviewer for the Oregon Historical Society is Clark Hansen. The date is March 1st, 1989. This is Tape 6, Side A.

In our last session, we were talking about Fred Meyer the person, and you were giving me a profile of who he was. He contributed to the Salvation Army. Did he also contribute to other charities as well?

RETZLAFF: The Salvation Army originally was a project of Eva Meyer. She was very much interested in that, and she served on the board of the Salvation Army for many years. So when she died, he stepped in, and I guess he served on the board, too. But anyway, he obviously gave substantial donations to the Salvation Army because he liked the cause.

CH: Were there other charities that he was involved in, other organizations or?

RETZLAFF: Well, he was a very generous man, and yes, he would donate to charities, or the firm would, and I guess he personally did, too: The usual thing, such as the Community Chest. I think it's called something else nowadays. Well, it used to be the Community Chest. Whatever. I can't think of specific charities right now. But he was very generous, and he contributed a great deal individually to people he thought needed money and deserved money or had some problem that money could solve, like sickness in the family. So, he was a very generous man.

CH: Do you recall any examples of where he helped people out?

RETZLAFF: Well, he — one incident where he helped an individual, I can think. We had a man by the name of McPherson, who was in charge of our food processing, which

included the bakery and delicatessen, kitchen and things of that kind. They were headquartered at Swan Island at that time, where our warehouse was also headquartered at that time. This man, by the name of McPherson, at one time got some rebates, some people call them kickbacks, from suppliers, which was customary. People that furnish a large volume to the supplier would get discounts of one kind or another.

So this man McPherson appropriated some of this money for his own use, and I found out about it, and I told Fred Meyer about it. He said, "Oh? I wasn't aware that he had financial difficulties, but I've known him for a long time. Let me take care of it. Forget about it. I'll take care of it," he said. So he had a talk with McPherson, found out what his problem was, gave him money, and straightened him out. And McPherson was — remained with the company and served for many years afterwards and was a good employee. So that is one example of his generosity.

I can't think of any other specific examples of where he gave to individuals other than knowing that there were some. I don't...

CH: Or the company? Were there incidents where the company helped people?

RETZLAFF: Well, this McPherson deal, well, he did it with his own funds. And mostly those were, I think, his own funds.

CH: His own funds that he used for what?

RETZLAFF: For these — helping individuals, like the money that he gave to McPherson.

CH: I see. That Fred Meyer gave to McPherson.

RETZLAFF: Yeah, yeah, that was his own. I mean, the company contributions were more in the — on the lines of organized charities, which is usual for large companies to contribute to; charitable and educational institutions.

CH: What kind of political beliefs did Fred Meyer have?

RETZLAFF: I — he was conservative in his outlook. I, as a matter of fact, don't know [specifically]. I don't think he joined any party. If he identified with parties, I think his thinking was more along Republican lines, because he was conservative. He was pro-business. He was for investment in business facilities and building up business in the state. I don't recall that he ever joined a party or made any large political contributions. I think politics for the sake of politics did not interest him too much.

CH: Did he encourage people to vote any particular way?

RETZLAFF: No, no.

CH: What kind of — what did he usually wear when he came to work? Did he...

RETZLAFF: Well, he was always well-dressed, and he almost always wore a black or sort of real dark suit with a bow tie. That was his trademark. He always wore a bow tie. And almost always had on black suits. Sometimes in the summer he showed up with a light gray suit, maybe, but generally he was always — you could see Mr. Meyer with his black suit, walking through the office. And he was always well-dressed and neat; and yes, he was never careless in his dress.

CH: Do you know why he wore a bow tie all the time? Was there a particular reason for that?

RETZLAFF: No. He got started, I think, in one of these pictures that I gave you. He is shown serving food over the counter in one of his early stores. He had that bow tie, and he just liked bow ties. When he's at the office, and he'd take his coat off sometimes when

it was warm, and he'd take his tie off — his bow tie. But other than that, that was his — I've never seen him with any other tie but the bow tie. [Laughs]

CH: What did he drive? What kind of car did he drive?

RETZLAFF: Well, he — in the early days, I remember they had a large Lincoln car, and he drove large cars. He was a very impulsive driver. I know — we were stopped at a stop light one time, and a fellow — we were in the center lane, the second lane from the curb, and there was a car on our right, on the curb side. No. Excuse me. It was the other way around. We were on the curb side, and there was a car alongside us in the center lane to our left. So when the light changed to green, we could all go but the right-side lane, where we were parked in and in front there were parked cars. It was not a four-lane street, but we happened to be on a side where the — I guess we had been parked.

So I know his habits. I knew he was impulsive, and I knew exactly what was going to happen. [Laughs] When we started out, and the light changed, he swerved in front of the driver next to us, who really had the right-of-way, and bang! Of course, he hit us. No serious accident — a fender-bender. But, so that fellow got out and started berating Meyer, and Meyer said, "Here is my card. If you have any beef," or some such expression, "get in touch with my office," and drove off. [Laughs] So whatever claim the fellow had, I'm sure he got, because Meyer was amply insured, but he wasn't going to fool around. [Laughs]

CH: How did the other fellow respond to his...

RETZLAFF: Well, Meyer just drove off, so I guess he couldn't respond. [Laughs] And I'm sure he got his claim, and so. But he was terribly impulsive and terribly erratic, and he was a poor driver. And when I was sitting there when the stop — and knew the stop light was going to change, I just about could have told you that this was going to happen because I knew him so well, but I kept my mouth shut. [Both laugh]

CH: How else did he show his impulsiveness?

RETZLAFF: Oh, he — well, talking about the driving. I remember he came, he drove up. He was downtown, going the wrong way on a one-way street, so a cop came up and stopped him. And Meyer said, “I know I’m on a one-way street. I’m trying my damndest to get out of here!” [Both laugh.] So.

CH: Did he show his impulsiveness at work very often?

RETZLAFF: No. No, no. Just — this was a peculiar quirk in his driving habits. No. In business decisions, I mean, he was deliberate, and no, not at all impulsive! He never made a spur-of-the-moment decision, or maybe he did if it had to be done. But, I mean it was never a decision that wasn’t thought out or wasn’t made in good faith.

CH: What kind of interests did he have outside of work?

RETZLAFF: Well, they had a home, a summer home, at — oh, they called it Eve’s Eden, very appropriately. And they had — this was at — hmm.

CH: Near Welches, wasn’t it?

RETZLAFF: Welches. That is the name I was looking for. It was near Welches, just before you get to Rhododendron. They had a very nice house there. In fact, my wife and I spent some weekends there as their guests, and they had a nice big — it was quite a large acreage. And they had cabins there and they used it for company affairs, summer picnics. There was a big expanse where the boys could play ball. And it was a nice area, and normally they went to Welches every weekend on Saturday afternoon. They’d be

there on Saturday morning usually, but on Saturday afternoon they would pack up and go to Welches. It was just a short drive, less than an hour, I guess. Maybe an hour.

So that was their relaxation. And they had a nice garden there. Flowers. And they had a caretaker who took care of the place and the garden. And what she enjoyed — the flowers a lot, and so did he. It seems to me that they had some pheasants there. It was a very picturesque place, right above the Salmon River. What is — yeah. It is the Salmon River. Or was it the Sandy? No, I think it is up there by the Salmon River. Anyway, that was one of their hobbies.

When Mrs. Meyer died, he sold the place. He just didn't have the heart to go on with it.

CH: Did he have social activities that he was involved with? Did he mix with certain social groups?

RETZLAFF: No, not really. He wasn't what you'd call a socialite at all. They had friends and they would — many of them. I mean, he was quite friendly with a lot of the employees and a lot of people that would worked for him. He would invite them and have dinners with them. I've had many a time that we had dinner with the Meyers.

One of those times, I remember the news came of the Vanport flood. We were just finishing dinner. So we jumped into their car and drove to the warehouse, and alerted the warehouse people, and called for some trucks, and then sent several truckloads of supplies to the refugees from Vanport that were quartered I don't know where. They found some big halls.

CH: Without any charge?

RETZLAFF: Yes. I'm sure of it. Yeah. No, he was very generous in those things. Yes, that was a contribution. That's one incident I can think of.

CH: What was his home like?

RETZLAFF: Well, his — the place in Welches was very attractively furnished, well-furnished. His Portland home, I haven't any too good recollection of his home in the early days. He wouldn't — they wouldn't entertain at home. If they entertained, they took us out someplace. She wouldn't cook dinner at home. I mean, she was too much of a business woman. She didn't have time, couldn't be bothered. [Both laugh.] So I have no real recollection of their early homes.

Later on, of course, after she had died, he lived in one of the large apartment buildings down there by the waterfront, near the auditorium, and he had a nice apartment there, on the 10th floor, somewhere there, with a nice view.

But both the Meyers, they were very simple in their tastes. Neither one of them smoked, of course, and he would take a glass of wine, but other than that, I don't think he ever — he never touched alcohol.

CH: How would you describe his ability to be able to read other people?

RETZLAFF: Oh, I think he was a good judge of people. He worked with people a lot, and he had — yes, I — he was a good judge. He usually put the right people in the right places and, yes. I don't remember any disastrous results of picking the wrong people.

CH: What about his ability to understand what they were thinking and feeling in any given situation?

RETZLAFF: Yes, I think he could understand another person's thinking and reaction. I think so. I think he got along well with — well, he worked well with people. He wasn't always an easy man to get along with. [Laughs] He had his very definite ideas, but he — yeah, he could read people very well, I think.

CH: Did he have any close friends that you recall?

RETZLAFF: No, I can't think of anyone particularly that was closer to him than others. I mean, he and Mrs. Meyer were very close, but other than that, his relation was largely with the people that worked with him. And there, because of the nature of my work, I was probably as close to him as anybody, because I had to be the one, once in a while, to say no, you can't do this or can't do that, for various reasons, taxation or S.E.C. [Securities and Exchange Commission] reasons or what have you. So, he had a lot of good friends.

He — well, for instance, Glenn Jackson was a good friend of his. Glenn Jackson was quite prominent in the state of Oregon, you know, and chairman of the Highway Commission for a long time and head of the Pacific Power and Light Company.

Dave Simpson was a good friend of his, of Norris, Beggs and Simpson, the real estate people who had an office in Portland and later on opened an office in San Francisco. He worked very closely with Dave Simpson and personally liked him and was a friend of his. So.

CH: Would he confide his feelings, things that were bothering him or things that he enjoyed? Did he have a close relationship with any of these people? Confidantes?

RETZLAFF: Oh, well, yes. He had a good relationship with all of them. As to confidante in real personal matters, I don't know of any man or woman that I can think of that was real close to him. Am I loud enough?

CH: [Yes].

RETZLAFF: He liked Mrs. Boyle, who was Mrs. Meyer's sister and came into the firm in charge of apparel, and she had some experience in that field. She had been in New York in some kind of an apparel business. Bert Friedman was another old friend who also, he was a New Yorker and had been in the retail business, in particular apparel business, in



New York, so he came to us also as apparel merchandiser and helped us a lot, and we learned a lot from him. He was quite, I'd say he was a good friend of Fred.

**[End of Tape 6, Side 1]**

**Tape 6, Side 2****1989 March 1**

CH: This is an interview with Herbert Retzlaff. This is Tape 6, Side B.

Well, how would you describe his philosophy of business? How would you describe his outlook on business?

RETZLAFF: Well, he was a shrewd businessman and enjoyed business. He was not in business solely for the purpose of making money. Money as such meant little to him, but he wanted to make money in order to be able to expand the business, to build new stores, to put more people to work and thereby help the communities in the areas where these stores were being built. So his philosophy in business was constructive. He wanted — he was a builder, in that sense. He wanted to build economic value that would aid the communities. I think that perhaps expresses it.

CH: What about his principles of business? I know that he had some — he had a system of reviewing policies that he referred to as E.R.C.S., the...

RETZLAFF: Yes. For the moment it has slipped my mind what it stands for.

CH: Well, it stood for...

RETZLAFF: No...

CH: Eliminate, Combine, Rearrange and Simplify.

RETZLAFF: That's it. Yeah, and simplify. That's right. Well, in other words, he was for efficiency. That's, in fact, what it — you eliminate things that aren't necessary or you combine things so that instead of having to do two, three things, you can do it as one

operation. You see, and the “R” was eliminate, combine — oh! Rearrange! You rearrange. Well, which had a similar purpose. You arrange things so they would be easier to use or more accessible or make for more efficiency; and simplification had the same purpose. Instead of doing something in a fancy, roundabout way, try to find some direct, short way of doing it. So he was for efficiency in business.

CH: Were there other things that he taught along that way? Other principles of business?

RETZLAFF: Yeah, there probably were. We got these slogans, like E.C.R.S. I can't think of any others right now, but they came up with some new slogans at periodic merchandising meetings and they would become something else. Slogans are good for catching people's imagination and retention of some goal. You think of E.C.R.S., well, then that brought to mind just what he wanted to do, and that was similar with other slogans; slogans that were developed for some certain promotion perhaps. As I say, I can't think of one in particular now.

CH: How would he build his relationships with the people in management and his employees?

RETZLAFF: Well, they were good, but at the same time he was not an easy man to get along with. If he found something wrong or — he wouldn't hesitate to say so. Or if somebody did something that he thought was poor judgment, he definitely let him know. So he was fair, and he generally got along well with people, but he was not an easy man to get along with, and I think there were some people that maybe were a little afraid of him. But he was always fair and not vindictive at all.

CH: I'd heard of one story in which he had you help a man who had an outlet in his store, how you — he had you help him with his books. Do you recall anything about that? It was a shoe repairman.

RETZLAFF: Oh, oh, yeah! Yeah, he had a concession in our stores, and I suppose he had some — he had no training in business particularly. He was a good man in his trade. So — I forgot how this happened. Maybe he got behind in his payments or — anyway, he probably said, "You better look into that and see if you can help him out." And I think we probably did set up a set of books for him and keep checking him a little bit for his own good. But he was a good man, and in fact, I think he expanded his outlets. I think they still have a shoe repair shop, I think, in every Fred Meyer store, but they are our concessions, and this fellow had quite a few of them. I can't recall his name right offhand.

CH: Was it a little unusual for the vice president in charge of finance to be helping a concessionaire with his...

RETZLAFF: Oh, no. No, no.

CH: Books?

RETZLAFF: I don't know that, whether — I did a lot of work for him, but I might have assigned somebody from the office or so and so to get his records. Yes, I probably put some time in, but no, it was an interest of the business, and we wanted this man, and we wanted him to succeed, so if we could help him and make this operation a little more efficient and help him make money, that was to our mutual benefit.

CH: How did he choose his people for management?

RETZLAFF: Well, we had a personnel department. I'm not sure when that was started. In the early days, he and Mrs. Meyer probably hired the people personally. But the firm grew, and it — we soon needed somebody. It started with a personnel manager, and the personnel manager had to have an office stenographer, for one thing, a secretary, and pretty soon there were one or two and three or more people. And it developed into a personnel department, which was never a very large department, but they did the hiring and firing of people and also were assigned duties of looking after the execution of the bonus plan, although the bonus plan was not under their jurisdiction. It was a management function. But they did the hiring, and the people that were hired for the stores, they were — particularly when we got into what we called the section heads.

Section head was the manager of a certain section in the store, such as the grocery section head, the meat section head, the delicatessen section head, the variety section head, prescription section head and so forth. These people were hired by personnel, and then as they were reviewed and then they were promoted in the business. Capable people from the stores were brought into the office as assistant buyers, perhaps first, and then they might become buyers, and buyers could become merchandisers. That means they were put in charge of a group of buyers and the group merchandising. Merchandising then also involved not only the buying but also the selling. In fact, that always was combined. In other words, if they bought the stuff, they had to see that they got rid of it. [Laughs] He didn't want somebody doing a lot of buying and load us up with a lot of junk. He also had to be the guy that had to dispose of it.

So, your question, I think, had to do with promotion or with how he picked management people. Well, the management people then grew through the ranks. That's really what happened. We hired few people directly into management positions, except, perhaps, specialists like accountants or so. You had to, because they didn't come up through the stores. But generally the others developed through the stores. People that are still -.

Dale Warman is a good example. I just made a luncheon date with him. He is still an active vice president in the firm, in charge of all food operations now, and he came up

through the ranks. He at one time was a checker in one of the stores. So was Cy Green who, I think he just retired as president of Fred Meyer. Or is he still?

CH: He is still president now.

RETZLAFF: Oh, maybe he is.

CH: Cy Green.

RETZLAFF: Okay.

CH: But yes, he did come up as a — started out as a...

RETZLAFF: He started out the same way.

Oran Robertson was — well, he was hired as a specialist, as an engineer. Well, he was in the engineering department at Boeing's, and he was hired for the store development department, I mean the building of stores, and he did the work for the designing, and drawing the plans, and the layouts, and the mechanics of store construction.

CH: Why do you think it is he chose people that came up through the ranks rather than people that might have specialized in some particular field in another business? People with degrees in some special area.

RETZLAFF: Well, I think Meyer was a very practical man, and he was a little bit suspicious of book learning. Some guy that came with a, perhaps, with a university degree in merchandising, he'd be leery of that. He'd rather that the guy that has been working behind the counter and doing things in merchandising. Now, engineering and

accounting, that's a little different. They do have to have a certain specialized knowledge.

But other than that — our business, of course, was mostly trading, so I can't think of people that — we had one man, Max Millsap, who was a pharmacist, very, very smart fellow, and he had a knack of dealing with people. He would give talks in our meetings, and so we made Max Millsap head of personnel. He was a pharmacist by training, but he was a very — he was exceptionally well-suited to deal with people. He had had his own pharmacy business before he came to Fred Meyer, so he was used to dealing with customers and people directly. He wasn't just a pill counter. So he became our personnel director and did very well for many, many years until he died tragically. He was quite ill for some time. I don't recall. It might have been cancer or so. In fact, in his last years, I think he knew that he wasn't going to be around for too long. But he was a wonderful man.

So, sometimes people were picked for their strong points, even if they not always were in their chosen field. The fellow that took Max Millsap's place then was Gary Baker. Gary Baker was the brother of Terry Baker. Terry Baker was a very famous football player in Oregon and made quite a name for himself in this region and I think beyond. And Terry was very much tempted to become a professional. You know, there was a certain amount of glory and money at stake. And Gary talked him out of it.

Gary was very — was more practical minded and was looking to the future and pointed out to him that while the fame of football might be nice at the moment, and he talked him into going on with law. I guess law was his field, and he was at the University of Oregon. And Terry became — yeah, Terry. Terry became an attorney, and to this day is — and joined quite a prominent law firm in Portland, and to this day is a prominent attorney in this town.

So Gary Baker then became our personnel director, and he is still around, I'm glad to say, because he at one time developed a rather serious abscess and people were quite worried about him. They thought it was a brain abscess and for some, fortunately, for some reason, the thing has completely cleared up and Gary married. I think his first

wife died and he's married again. And I talked to him not too long ago and hope to have lunch or dinner before long. So, it's an interesting succession of people that's gone through this business. [Laughs]

CH: Well, his — what was his relationship with his family like? How would you describe that?

RETZLAFF: Well, he had no close family other than Mrs. Meyer. I think I mentioned that there was some breaking up between, with him and Harry Meyer. I think I mentioned that. The original name of the — was the — Grubmeyer was the name of the family, and he dropped the "Grub" and Harry dropped, and they were Fred Meyer and Harry Meyer. And the third brother retained the name Grubmeyer, and I can't think of his first name. But he had a little grocery store on the east side in Portland and until some few years ago, maybe 10 or so, but never amounted to more than just a local little business, whereas Harry became head of the Hudson House people, wholesale grocers. But I don't know what happened, but they didn't speak with each other.

So his family was largely he and Mrs. Meyer. Oh, he was very generous to members of her family. She'd been raised in the East. She had a lot of relations in the East, and some of these people came out here and he gave them jobs. I think I mentioned this one man who had sort of a mechanical bent and was put in charge of our repair service and that department. And there was Chiles.

CH: How would you describe his relationship with...

RETZLAFF: Now, this Chiles I'm thinking of was — let's see, he was an optician. Doc Chiles he was called. Now, let's see, was he Mrs. Meyers — I guess he was her — was he her brother? Perhaps. And he opened an optical department on Fifth Avenue and expanded with other departments, and then — so he took care of members of her family. Yes. Tried to bring them into the business, give them jobs and help them.



CH: What about his relationship with his stepson Earle A. Chiles?

RETZLAFF: Well, he never got close to Earle Chiles. He was too impatient, Meyer was. He wanted to go on with things, and Earle was hesitant, and Earle was entirely overpowered by Meyer. And I remember in meetings, he would say, "Well, Earle, why don't you, what do you think? Why don't you express yourself?" And Earle would say something, but he had to be urged sometimes. Earle fundamentally was a very, very nice and good-natured man, and he was a little bit overpowered, and I think a little afraid of Meyer. Meyer was too strong-willed and he was — he tried to be good to Earle because of Mrs. Meyer's sake. So the relationship was good, but certainly not close, because they were temperamentally too different.

CH: What about his — Earle's son? Earle M. Chiles.

RETZLAFF: Well, Earle M. is, again, in temperament and makeup very much like his father. He is a — he was a very nice and goodhearted man. Well, he is. Earle's still around. I remember one time my wife and I were going to Hawaii, and just before we were boarding the plane, somebody paged Mrs. Retzlaff. "Would you come to the counter?" We did, and they gave her a very beautiful corsage, and there was a little card on with "Very Best Wishes from Earle Meyer Chiles;" young Earle. So, he was very thoughtful and very nice.

CH: And did he do anything in the company?

RETZLAFF: Well, yes. Young Earle did work for the company for a while. He was — I know one of his assignments. He was put in charge of the garden shops. Well, and that probably, that tied in with his temperament. He liked nice things, flowers, and he was in charge of that and for quite a while and for a long time. I don't know how he got severed

or why he severed his connections with the company or dropped out. So, yeah, Earle was with the company; Junior.

CH: Did he do well in that position?

RETZLAFF: Yes, I think so. He — again, he didn't set the world afire, and it wasn't — they were not some of the main departments in the business, but I think he did a good job. There was another man that worked with him quite closely in that capacity who was more of a trained gardener; garden, plant man. But, yeah, I think Earle did alright.

CH: Why don't you think — why do you think that the Meyers never had any other children of their own?

RETZLAFF: Well, [Laughs] that's — well, I think for one thing he was — he wasn't interested in family life, as such, as a father of the family and rearing a lot of children. I don't think that type of family picture appealed to him. Now, why they never did have — there are a lot of reasons why people don't have children, and I wouldn't know. [Laughs]

CH: He never talked about that with you?

RETZLAFF: No. No.

CH: As an entrepreneur, he was very successful, and he had contacts with other retailers, didn't he? In the...

RETZLAFF: Oh, yes! Now, you're talking — we're talking about friends.

CH: Yes.

RETZLAFF: I don't know if you can call a lot of these people friends, necessarily, but he knew everybody who was somebody in retail business because they traveled widely, and he encouraged us to travel widely. I visited all kinds of retail operations and looked at their stores; not just their accounting setup but because he also felt that anyone doing accounting ought to know something about the business, not just a matter of putting figures together. But you got to know what the figures mean and what, why this and that is being done.

So he knew everybody who was anybody in retailing, including department store people. He was quite close to — well to the Vons in Los Angeles. Vons stores. They're still in business as Vons...

**[End of Tape 6, Side 2]**

**Tape 7, Side 1**  
**1989 March 1**

CH: This is an interview with Herbert Retzlaff, in his home in Portland, Oregon. The date is March 1st, 1989. The interviewer for the Oregon Historical Society is Clark Hansen. This is Tape 7, Side A.

What other retailers were his closest associates?

RETZLAFF: Well, there were no close associates among other retailers in this area. He knew a lot of them, but...

CH: Were there any that he had particular admiration for as businessmen?

RETZLAFF: Oh, I think in the business community, people had an admiration for him for what he accomplished; sometimes perhaps a little tainted with envy, [Laughs] but that came from competitors. But I think people respected him for what he did do in his business and for the community. Yes.

I, for a long time, was a member of the Retail Trade Bureau. Fred Meyer never took an active part in that. I mean, he didn't go to the regular meetings. I think he was — he did appear once or twice and before the group. He was not what you might call an orator, but he would speak. He would speak in a very sort of a — he was not a theatrical speaker. He wouldn't throw his hands, he wouldn't gesticulate or change his voice up and down, but he'd speak in a very matter-of-fact way, sort of addressing a group of friends. He always had something to say. He always would make a point of something. He wouldn't just talk for the sake of talking.

And I've seen him in public functions. When he was honored as first citizen. I remember Mildred Schwab, who was quite prominent in Portland. Let's see. Was she — she was on the city council. Was she mayor one time? Mildred Schwab?

CH: She may have been temporarily at one point.

RETZLAFF: Anyway, she was quite a prominent person and she chaired that meeting and introduced Meyer. So he would appear at certain functions. He didn't seek out that kind of publicity or notoriety, but...

CH: He was also selected as retailer of the year in 1972? Do you recall that?

RETZLAFF: Well, yes. Maybe that was the occasion that I am thinking of. There were a number of functions like that where he was honored. I mean, he was a very prominent man in the community, and those things did come his way and had to, I guess, because picking prominent Oregonians, well, they couldn't miss Fred Meyer.

CH: Yeah. What about trips that he made? He made trips to Japan and to Europe and around the country.

RETZLAFF: Yes. They traveled. The Meyers traveled extensively, more so when she was alive. Yes. And wherever he went, he made it a point to visit other retailers and check stores. I think if he'd have gone to the Sahara Desert, he'd found out some way of finding retailing interests. [Both laugh]

CH: Did anybody ever go with him on those trips abroad?

RETZLAFF: Well, Mrs. Meyer did. Abroad, I don't know of anybody else. On other trips, here and in this country, and I went along on many trips with him. Yes. But all of his trips — some tied in with business. I mean, he was so involved in his business that that was his recreation, too. [Laughs] And particularly after Mrs. Meyer died. Had she lived, I think his later years would have been different. They would have traveled more, and more for relaxation.

CH: Well, in the — at the beginning of the 1960s, in 1960, he went through a number of expansions and acquisitions, and early in 1960, 1961, I guess it was, he opened up a series of coffee shops, the Eve's Restaurants. How did that concept evolve?

RETZLAFF: Well, I think the Meyers felt it would have been — it helped round out the customer service if some food service were available. Now, for many years, the main office was on Fourth and Yamhill, so in the morning, Mrs. Meyer would go over to Fourth and Alder, a couple of blocks, to the Manning store. Manning's Cafeteria, I guess it was. And have their coffee and sometimes perhaps have a lunch there or a meal at night.

So they got to know the woman who was the manager of that store, who was Pauline Lawrence and asked her some day, and said, "Why don't you join us? We want to open some coffee shops, and you know the business. Join us and we'll put you in charge of the coffee shops." And she did. And was with Fred Meyer all through all this time and is still. Well, as a matter of fact, Pauline Lawrence is (I just talked to her a couple of weeks ago) is on the board of the Meyer Foundation or the Meyer Charitable Trust. Yes. So, she became, then, quite closely associated with the firm, and, as I say, is still, indirectly through the trust, is still interested in the affairs of the Fred Meyer Charitable Trust.

CH: What do you think that Fred Meyer saw in Pauline Lawrence as a manager that he liked so much?

RETZLAFF: Well, I mean at the time, they didn't know this particular business, the food serving business, and they had met her and were impressed by the way she ran that particular store, the Manning store, so that's why they hired her. And then as she worked — well, she probably worked a little closer with Eva than she did with Fred, although it was Fred, too, and then of course continued with Fred after Eva passed away. And they respected her abilities, and she's a capable woman, so I think she deserved the recognition she got in the firm.

CH: Shortly after that, Fred Meyer purchased the Roundup Company in eastern Washington?

RETZLAFF: Well, yes. I don't know timewise how that correlates with Pauline's coming on board. Roundup, let's see.

CH: Well, Pauline came on back in the 1950s, didn't she?

RETZLAFF: Yes, I suppose so; could be late 1940s. I'm not sure. Now, Roundup, I tried to think how that came about. I think they maybe approached us. I think Roundup came after the Marketime acquisition, didn't it? Yeah.

CH: Yes.

RETZLAFF: So we were already in the state of Washington, and it seems to me Roundup approached us because there were some personnel — well, there were some management changes going on. The man who ran Roundup was elderly, and there was no real line of succession, and it's my recollection that they approached us.

I remember one — and this was Earle and I were supposed to follow. This was all supposed to be very hush-hush. So it wasn't that we could just go to Spokane and talk to them or bring them in here. So we arranged that I and Earle would go to Yakima, and they would come over to Yakima, and we met in Yakima in some hotel or motel and discussed this thing and came to some understanding.

And Earle — well, no. Earle and I were there, and then Earle came back here, and I did drive to Spokane. Not with them, but separately in my own car. Oh, I guess I didn't have a car because — I guess I did drive with them, yeah, because I remember I went in Earle's car and Earle went back to Portland. And I guess I did drive, come to them — with them to Spokane, but they dropped me so then at the old, big hotel in Spokane. It was

quite a landmark in those days, a real good hotel, the Spokane. Well, anyway, I was booked there, I guess without showing my firm name, and then I had a meeting with their auditors.

And it turned out that one of the partners in this auditing firm I already knew quite well, because many, many years ago when I — before I was with Fred Meyer, when I was in public accounting, we were engaged in a job that extended into Washington and worked very closely with this firm. So I knew one of their partners real well. But they could be trusted, so we went over certain financial facts and then that came to an understanding and they — and I went back to Portland. I guess I flew back and brought the facts before Fred Meyer and the board, the ExC Council.

And in due course, we decided to go ahead with the acquisition of Roundup, and that involved the wholesale company in Spokane. In fact, Roundup was largely a wholesale company, and I don't think they had any stores in Spokane. There were no retail stores involved except the small chain, the so-called B&B stores. B is Brown. Brown and I guess it was his son. They operated in Montana. Kalispell, Polson and one other place, right close up there on the — near the park. Glacier Park, I guess.

Anyway, so we acquired the Roundup Company. And we didn't have any stores in Spokane, didn't open any stores for quite a long time, because the stores, the retail stores, were our customers, and we didn't want to compete with them.

CH: How did this purchase fit into Fred Meyer's vision for his company?

RETZLAFF: Well, we already were in Washington, so this gave us an entrance into eastern Washington. And of course eventually we did open stores in Spokane and got along alright with the others. There was room enough for expansion.

CH: There also were some other stores at the time that, I don't know if it was part of the sale or not, but McClintock-Trunkey was one store that was purchased at that time. Do you recall that?



RETZLAFF: Yes, I — sure rings a bell. Let's see. Hmm. That was not in Spokane. That wasn't part of our — oh, wait a minute.

CH: Well if this store...

RETZLAFF: That isn't that food chain in Seattle?

CH: Well there was another one. That was Market Basket.

RETZLAFF: Market. Yeah, we got rid of their stores. They didn't particularly fit, and the Market Basket man didn't want to come aboard on our team and so we sold those stores. That was Market Basket. McClintock-Trunkey. Yeah. Huh.

CH: Well, if Roundup was basically a wholesale business, then how did Fred Meyer see that this would be a part of his operations since he was mostly dealing with retail?

RETZLAFF: Well, it — you are right. It really wasn't a planned purchase by Fred Meyer. It rather was an opportunity that happened to come along. They — we didn't seek them out. They sought us out. So as it came along, I think we felt, well, it does give us, establish us in eastern Washington, even though it isn't as a retailer. So I think that is why that purchase was made. It wasn't a terribly large transaction. I mean, they were much, much smaller than Fred Meyer, even in those days, was. So that just happened to come along.

CH: Do you think that was a good plan for him? A good purchase for him to have...

RETZLAFF: Well, I think it was a foothold over there. Yes.

CH: Well at this — with these acquisitions, there were two new board members with Marketime. John Davis came on.

RETZLAFF: Yes.

CH: And then with Roundup, Gordon Stephenson became a member of the board.

RETZLAFF: Yeah, that's right. Gordon Stephenson. In fact, Gordon Stephenson, I think, is the man that promoted that. He was the head of Roundup. And he was an elderly man, and I don't know how long he was on the board, but it was Gordon Stephenson that contacted us.

CH: What kind of impact did these men have on Fred Meyer once they joined the board?

RETZLAFF: Well, they took a constructive part on the board, particularly John Davis. Davis was very outspoken, very outgoing, and he expressed himself well. And he would stand his ground. I mean, he didn't take any nonsense from Meyer, so he would speak up in meetings and he became a good, constructive member of the board.

He is from an old Seattle family. They had money, and the Marketime stores was just sort of a sideline for them. And, well — John as a matter of fact is — I saw him not too long ago. Well, I saw him at the last stockholders meeting of Fred Meyer before K.K. & R., Kravis Kohlberg and Roberts, took them over, and I remember we had quite a chat and sort of felt sorry that that was an end of an era for Fred Meyer at that time.

CH: How did he feel about the purchase of Fred Meyer by K.K. & R.?

RETZLAFF: Well, I've got to stop and think. I don't — we did feel that there were some good reasons at the time, because — Hm. Can you stop for a second? Your question was...

CH: Well, how John Davis felt about the — when you talked to him about the sale of Fred Meyer to K.K. & R.

RETZLAFF: Well, we felt that the old era of Fred Meyer, when Fred Meyer was in charge, was over. This meant that there would be new blood come in in management, and they were also going to put some money in the firm. And I think it would — at that time, we felt it would strengthen the capital position of the firm and the continuance of the firm.

Then later, in due course, of course, they went public again, which is always what has to happen on these buyouts because the people have to get their money out. The buyouts are made with borrowed money largely, so then to get their money out they have to sell, go on the market again.

CH: So do you feel that the buyout was, originally, was a good idea then, when you look back over it?

RETZLAFF: Yes, I think it was. Yeah.

CH: How did Fred Meyer take to John Davis' outspoken nature?

RETZLAFF: Well, this has nothing to do with the buyout now, because Fred Meyer was dead at the time of the buyout. Oh, he respected John Davis. I think I've said before, Meyer certainly didn't like yes-people around him. He liked people that had an opinion to express and would stand their ground. And yes, and I'd say Meyer got along quite well with John Davis and liked him.

CH: Well, at one point, then, John Davis was removed from the board, in 1971.

RETZLAFF: Well. Yes. There was a time, as Meyer grew older and he was less — well, he was still active, but there were a number of us that felt that Fred Meyer wasn't — he was old and he wasn't as keen as he used to be, and we felt that he should be the chairman of the board but somebody else should really run the company.

CH: But he was the chairman of the board at the time, and Earle Chiles had been the...

RETZLAFF: Oh, yes, but Earle Chiles' presidency was a presidency in name only. I mean, Meyer ran the show. [Laughs]

CH: But then, after that, then in 1968, then, Crocker became president.

RETZLAFF: Well. So then we — I think we did convince Meyer that it was a good thing to have somebody take care over the active running of the company, and he would be the chairman of the board. But we felt that the man that ran the company (and I guess Crocker became president) should be Crocker. And he agreed, and Crocker did run the company, except...

CH: Did you express these views to Fred Meyer that you felt that he should step down, as well? Was this a general feeling among the board members?

RETZLAFF: Oh, yes. It was a feeling that was shared by me and John Davis and Jack. I mean, I guess you know that Jack Crocker was with the company for quite a long time.

CH: Well, how did he take to that?

RETZLAFF: Well, Meyer agreed, and Jack became president, but he couldn't let loose. I mean, he had to, when some decision was made or so, he had to question it or he had to — not necessarily interfere, but he always had to have some say-so. And finally it drove John and it drove Jack to desperation, and they said, "The hell with that. I'm going to quit. I'm going to step out." And he did. And he told Meyer that.

I remember right afterwards Meyer called me in and said, "Why did Jack do that to us?" He realized that.

I said, "Well, F.G.M., I think you kind of helped bring it about."

And he said, "Well." So he very much hated to see Jack go, but...

**[End of Tape 7, Side 1]**

**Tape 7, Side 2**  
**1989 March 1**

CH: This is an interview with Herbert Retzlaff. This is Tape 7, Side B.

As you were just talking about Jack Crocker's quitting because of not being able to deal with Fred Meyer's interference with the company?

RETZLAFF: Yeah. No, so, Jack left, and Jack then in turn went to Southern California and took over a small chain of stores that had gotten into financial difficulties because of mismanagement. But that didn't lead anywhere, and then Jack was sought out by the management of Super Value stores in Minneapolis. He was known in the trade, like all these people. I mean, you know everybody in the trade, and they knew him, and they knew of his reputation, having run Fred Meyer, and Fred Meyer was always well thought of in the retail field and admired.

So they came to him and wanted him to become chairman or president. I think he came on board as manager of operations, eventually to be president and chairman. But he turned them down a couple of times, and I finally said, "Well, Jack, it's a good opportunity." And so he stepped over, and he became chairman and chief executive officer of Super Value and stayed there for about 10 years and developed the firm tremendously. I know, because I bought some of Super Value stock and it's gone up and up and up and has been an extremely good investment, thanks to his leadership. But then he stepped out, and another man took over, who is still the head of Super Value stores.

CH: So did Fred Meyer understand why Jack Crocker quit?

RETZLAFF: Oh, yes. He understood. He was kind of dismayed, because he made this remark, "Why did Jack do that to us?"

Well, I said, "Fred, F.G.M., it's — I think it's largely your doing."

And, “Well.” So.

CH: How did he react to your saying that?

RETZLAFF: Oh, he didn’t have much to say. I mean, he was kind of shocked and dismayed by this happening, and he didn’t try to blame Jack or me or anybody else. He just — he realized, I guess. He was no dumbbell. [Laughs] He realized.

CH: Did he try to get Jack Crocker to come back to Fred Meyer?

RETZLAFF: I don’t think so. If he did, certainly Jack would have had enough. I think Jack realized that if he had come back, this would be the same thing all over again.

RETZLAFF: Was there one particular incident that made him come to this realization?

RETZLAFF: Oh no, I don’t — at least, I don’t know of any particular incident. It was more of a kind of a constant irritation.

CH: What kinds of things would Fred Meyer do, that would interfere with Jack Crocker’s running of the company on a day-to-day basis?

RETZLAFF: I don’t know that he did anything. I mean, he wouldn’t countermand Jack’s orders. No. But he had to keep questioning. “Well, why should this be? And why should that be?” and it was -.

I tried to prevail, and Jack, [I] had said, “You better stick it out because it can’t last too long. You know, Fred is well along in years, and it’s just a question of a few years and he will step out.”

But Jack was impatient and said, “No. Enough!”

So I can't think of any — there was no great blow-up over any one thing. No. It was just sort of his attitude and his keeping his hand in things, at least by questioning them.

CH: When Jack Crocker was elected president in 1968, he replaced Earle Chiles then, who retired. Why — or what do you think Earle Chiles will be remembered for in terms of his time at Fred Meyer?

RETZLAFF: You're talking about Earle, Sr., yeah?

CH: Yes.

RETZLAFF: Well, Earle, Sr., I think, will be remembered as an extremely wise and kindhearted man who was liked by many people at Fred Meyer. I can't think of any outstanding thing he has done as a manager of the firm, because, as I said before, he was so completely overshadowed by F.G.M. But he will leave a pleasant memory in the minds of those who knew him and had contact with him. Yes.

CH: You were also named as, at that time, as secretary/treasurer and controller. I don't know if that was any transition in your own position or was that...

RETZLAFF: No. Well, I don't want to — by that time, I think — Mrs. Meyer always had the title of secretary/treasurer, and that was just simply dating back to the olden days because she was the major stockholder, along with Fred, was the major stockholder, so he was president, I guess, and she was secretary/treasurer. And then that carried on. Now, as a practical matter, she had no training in accounting or financial matters, particularly, so all the questions that had to be settled in the secretary/treasurer area [Laughs] fell on me, while, but nominally, she would sign the papers. So that when she passed away, I — that was naturally for me. That title was added to my title, whatever it was, (I was vice president, I guess) because I had done the work anyway. [Laughs]



CH: So that didn't affect your position then?

RETZLAFF: No. No, it didn't affect the position at all.

CH: Well, just after Crocker left the company, then reverted back to, the presidency reverted back to Fred Meyer for a short while until Cy Green took over. Why did Fred Meyer assume president again if he realized that he was interfering too much with the day-to-day operations of the company and somebody else needed to be running the show?

RETZLAFF: Well, I think it was just because there was nobody else around and because Earle had left by that time, Earle Chiles. So somebody had to step in, and I think that was why.

CH: And then Cy Green, Cyril Green, was chosen for president. Why was he chosen?

RETZLAFF: Well, Cy is a very capable guy, and I think we realized that. He had the qualities, and we felt it was a good- yeah. He was a good person for the job. I think that was why.

CH: There were so many capable people there in management. You were there. Dale Warman, Rollin Killoran, Virgil Campbell...

RETZLAFF: Well, okay. Well, I was a financial man, and, after all, this is a merchandising company, so it was a merchandising aspect that should govern. I don't think the company should have had a financial man as president. That does happen sometimes, but I think — no, we wanted a merchandising man, so there was a question. Well, Killoran — Meyer

himself acknowledged that Killoran's a good salesman, but Meyer acknowledged that Killoran couldn't run the company, and I agreed with that.

CH: Why would that be?

RETZLAFF: Well, he's a salesman type. I mean, he can sell, but management involves other abilities that are needed, so. And I remember Meyer saying, "No. Killoran can't do it."

But Cy, we felt could, and Cy was good with people, could be firm with people. I don't think Killoran could have been firm enough because, being a salesman, he always tried to be nice to people. [Both laugh] It is a nice thing to be, but you can't always be the good guy. [Laughs] So I think that is how it came about.

Warman was a good man; a real good man. He was a little bit more on the merchandising side, too. Well, I think Cy maybe had more of the, we felt at the time, more of the management qualities, the firmness needed.

CH: It was right after Cy Green took over that Fred Meyer started having interest in the savings and loans industry and purchased the Tillamook Savings and Loan in 1973. Why do you think he was interested in that aspect of business?

RETZLAFF: Well, that has nothing to do with Cy. He was interested because he felt it would be good to have some way, some facility in the stores where people could cash checks, get money; some financial service. Now, the company couldn't buy a bank. Savings and loan is a type of bank, you know.

CH: Why is that?

RETZLAFF: Oh, I don't know. That's because of Oregon law. A retailer can't run a bank. They are too — it has to do with the banking laws. So that was out of the question.

So Fred Meyer personally bought this small savings and loan in Tillamook, which I guess for some reason was up for sale. I don't remember why. Maybe they had financial difficulties or what. But he personally bought it. And then — so he had a savings and loan, and I don't know, I guess he kept the office in Tillamook going. But anyway, he then transferred, opened units, branches of this Tillamook savings and loan, which was, in due course, renamed Willamette Savings and Loan and opened the units in the stores, which they still have. I still cash my checks there quite often when I want money in the Fred Meyer store.

So that's how that came about. It was a matter of wanting that service, and it was one way of getting it. And this was a small savings and loan. I mean, he wouldn't want to have bought a great big statewide organization, which would have, probably, would have involved a lot of money, but he made his personal investment in that little savings and loan in Tillamook. And I guess it's — at least he kept it running as the Tillamook Savings and Loan down there, and yet he called it Willamette here, and I don't frankly know whether it is still there or not in Tillamook.

CH: At some point, the company purchased the stock in the savings and loan, didn't it?

RETZLAFF: Not to my knowledge, because I didn't think they could.

CH: Well, that's what I was wondering. I thought that at some point they took ownership of the savings and loan, and they — some of the board members of Fred Meyer were board members of the savings and loan. Do you recall anything about how that came about?

RETZLAFF: No, I don't.

CH: Do you know why Fred Meyer chose Gerry Pratt as a person to run this savings and loan?

RETZLAFF: Oh. [Laughs] Yeah, I do remember that. He told me, he said, “You know I’m going to put Gerry in charge of the savings and loan because he doesn’t know a damn thing about it, so he doesn’t have any preconceived notions.” [Laughs]

CH: Oh, is that right?

RETZLAFF: Yeah. [Laughs] I remember that.

CH: What was Gerry doing at the time?

RETZLAFF: Oh God. I don’t know. Gerry never had any official function at Fred Meyer. Gerry became a good friend of Fred Meyer, but, no. I think he just wanted Gerry — well, Gerry, of course, at one time was with *The Oregonian*. He was a reporter, you know. I don’t know what he did at that time, but he — F.G.M. felt that it gave him something to do and so he gave him the job. And I very decidedly remember him saying, “So, you know, I gave it to him because he doesn’t know a damn thing about it.” [Laughs]

CH: Did you feel that that was a good decision then?

RETZLAFF: Did I feel?

CH: Did you feel that it was good or did he feel it was good?

RETZLAFF: I didn’t care too much about it. I felt, well, just as well. I felt the savings and loans will probably run themselves anyway, more or less, and they were in the groove, and it wasn’t a major — it gave Gerry something to do, Okay. And I guess he got along alright.

Running a bank is probably, at least in my opinion, a lot easier than running a retail business or store. It's more like a utility. Oh, you can throw away a lot of money by poor loans, but a savings and loan, they loan to property owners and so it's not such a major management task.

CH: So how do you feel and how did Fred Meyer feel about the way Gerry Pratt ran the S&L?

RETZLAFF: Well, I think it was alright. He — I mean, he didn't get into any grave difficulties, and I don't think he had a chance to get into any great difficulties.

CH: You were on the board after you retired. Let's see, you retired in 1971? End of 1971?

RETZLAFF: Well, yeah. I really — I retired from 1971 to 1973 because there was another man to be broken in, and I sort of phased out. I spent less and less time, and I didn't get — I think I continued to draw my salary, but I didn't get any bonus, and under Fred Meyer's arrangement, a bonus was always about half of our income. So, I say I retired from 1971 to 1973. That's why I'm using that period.

CH: Who followed you?

RETZLAFF: A young fellow whom I hired as my — was supposed to be my — oh, no. The fellow who followed me was a man by the name of Peter Meyer; spelled the same way. And he came from Chicago and had been the financial man for — oh, the big men's clothing store chain. Kuppenheimer, or I think it's Kuppenheimer. It's one of the real big men's ready-to-wear chains. So he came aboard, and he worked along fine for a while. He was a good man, but he was not too outgoing and kind of rigid in his way. And first

Meyer and he got along fine, but then something or the other rubbed Meyer the wrong way and then there was a clash.

And while he was here, we hired Jerry Sadis, who was in Seattle then. I think he was with Haskins and Sells accounting firm, one of the Big Eight accounting firms there. And I brought in — Peter Meyer and I hired him as an assistant to Peter Meyer. So when Peter Meyer clashed with Fred and stepped out, Jerry was the man then. He was there. He was just a young fellow, quite young for the job really, but was a clever guy, and he was alright, and he was there until quite recently. I don't know when Jerry retired.

CH: Well, he assumed the running of the...

RETZLAFF: The financial end of it, yeah. He...

CH: The financial end of it, yeah.

RETZLAFF: Really had my job then.

CH: And also the savings and loan?

RETZLAFF: Well, no. The savings and loan, I think, were always separate, as the management proposition from Fred Meyer, because I still think they couldn't. Fred Meyer never did acquire them, could acquire them. I think not. But so Jerry Sadis took over, and then all these fellows got in the K.K. & R. deal, and so they got a great deal of stock, and they came all out smelling like a rose.

And I remember Jerry retired not too long ago, and I said, "Well, Jerry, what is the matter with you? When I was your age I just started out."

And he said, "Yes, I know that, Herb. That's why I am retiring. I don't want to get into the place of honors like you did." [Both laugh]

CH: Well, the savings and loan had some problems later on, but maybe that was after the time you left the board. But I was just wondering what your — around the time that, in the early 1980s, when K.K. & R. was making offers for the company, but...

RETZLAFF: I guess I don't — I mean, I was out by that time, and no, I don't recall difficulties. You mean management-wise or financially?

CH: Well, the...

RETZLAFF: I don't...

CH: Well, there were some differences, I think, in management of the S&L that came up, and, so I had heard, and some of the articles that we read about in *The Oregonian* seemed to suggest that, and I was just wondering...

RETZLAFF: You mean some hanky-panky?

CH: Oh! [Laughs] No! I think more...

RETZLAFF: Or just with differences of opinion?

CH: I think so. I was wondering whether you were involved with it at that point.

RETZLAFF: No, not in the 1980s.

CH: So you were on the board, then, for how long? 'Til what time?

RETZLAFF: Well, I don't think I was ever on the board of the savings and loan...

CH: The board of the company. You were on the board after you retired...

RETZLAFF: Oh, I — well, no. I phased out in 1971 to 1973. Then I was off.

CH: I see. I see.

RETZLAFF: That was the board when I retired.

CH: And did you maintain contact with Fred Meyer, then, after you left the company?

RETZLAFF: Oh sure. I would see him once in a while. As a matter of fact, I saw Fred Meyer just shortly before he died, maybe a week or two before he died. I remember I went up with Roy Webster to see him. Roy Webster was one of the local partners of Coopers & Lybrand, who were our auditors for a long, long time and who also assisted Meyer with his personal affairs and tax work. And Roy had to go up to see him and called me that time and said, “Herb, I think you ought to come along. I’m going to see Fred Meyer, and you know he isn’t too well.” And I did, and we went up to see him in his apartment.

He was quite mellow, and I remember him saying to me, he said, “Well, Herb, we used to have a lot of good times together, didn’t we?” So he was — rather he soon later, he — as I say, it was probably only a week or 10 days, he was gone.

CH: How was his health at the time?

RETZLAFF: I think he knew that then, that he wouldn’t last. He knew that he wouldn’t live. He lived at home in his apartment, but he had nurses around the clock. He had three shifts of nurses or whatever.

CH: Was he suffering from any particular illness?



RETZLAFF: No, I can't tell you that. No. I think it was just — well, you see — wait a minute. He passed away in 1978. I always have to try to think. There was a difference of about 15 years of age between my age and his, so he must have been — he was right around 90 then.

**[End of Tape 7, Side 2]**

**Tape 8, Side 1**  
**1989 March 1**

CH: [This is an interview with Herbert Retzlaff, in his home in Portland, Oregon. The date is] March 1st, 1989. The interviewer for the Oregon Historical Society is Clark Hansen. This is Tape 8, Side A.

RETZLAFF: You want me to say that again?

CH: Yes.

RETZLAFF: As far as I know, he had no major disease such as cancer. I think his cause of death was probably just a weak heart and old age because — let's see, at that time he was just about 90 or a little older.

CH: And you had a feeling that he knew that this was coming soon?

RETZLAFF: Yes. Yes, I'm sure he did. And he said, "Well, you know we had a lot of good times together, Herb, didn't we?" And he was...

CH: How did you feel seeing him that last time?

RETZLAFF: Well. Obviously, there was a deep feeling of regret, and so, because I had been very close to him, and we had been friends. I mean, a close business association over that many years is akin to friendship, so I was very much moved and felt a great, great sorrow to see that. But, again, at his age, it was one of the things that had to come, and...

CH: Was he fairly clear mentally at the end?

RETZLAFF: Oh yeah. Yeah, yeah. He was, I think, entirely clear.

CH: And emotionally, he was stable?

RETZLAFF: Oh yes, yes. He — I think he was resigned.

CH: What — what kind of reaction was there to his death at that time in the company?

RETZLAFF: Well, in the company, I don't know, because I wasn't in the company at this point.

CH: Were people expecting it, though? Were they expecting it as well?

RETZLAFF: Well, I think by that time — he hadn't been active for some time. As I say, he had a team of nurses around him for around the clock, and this probably had been going on for some little time. I don't — maybe not a matter of years, but a matter of months or so. So I — at his age, his death couldn't have come to an entirely unexpected shock. I'm sure it didn't. But I think most people there would also share a deep sense of sorrow and regret, that it was the end of an era; the personal era of Fred Meyer.

CH: What kind of involvement have you had with the people in the company since then? Oran Robertson and other people?

RETZLAFF: No business involvement. I've, socially, I've had dinner with them a few times, and I still have that. I just have a luncheon engagement with Dale Warman a few days from now.

Then, I did meet the new man. I've met him two, three times, and I like him. Stevens. The man who came here from Detroit, where he was manager for — oh, I don't know what they call it. The district or an area for K-Mart. So a man who is familiar with the retail business thoroughly. And I've met him a number of times and I like him.

CH: Why do you think a man from outside the business, after all these people that have been involved with Fred Meyer have stayed within the company? Why do you think that they chose someone out from outside the company to run the company?

RETZLAFF: Well. Shut that off a minute. [Laughs]

[Tape stops]

Your question was?

CH: Well, why Stevens was chosen and not somebody within the company?

RETZLAFF: I think the reason, which was given was given to me, (and of course I was out of management entirely and off the board) was that, well, Cy was a good man, a very capable man. He was somewhat abrupt and direct and was not generally liked by everybody in the company, and there was some feeling that maybe some people wouldn't accept Cy well, and therefore they went outside.

My personal opinion is, I have a lot of respect for Cy. I like him very much personally. I wouldn't have shared that, but some people in the company sort of felt that and confided that to me. And so maybe that was the reason why they did go outside.

CH: This was a decision by the board to select Stevens?

RETZLAFF: Yes, I suppose.

CH: And Cy Green is on the board? Is he?

RETZLAFF: Wait a minute. I can't tell you right now. Of course, I have Fred Meyer stock and I get reports. If I can find one, I can look it up. He may be on the board.

CH: But this was Oran Robertson that probably made the?

RETZLAFF: Well, Oran Robertson, of course, was ready to retire, too. Oran was getting too old to take over the management of the company. Oran had gotten in there mostly by default when Jack stepped out. Jack Crocker. So, that's the only reason I can think of. Because he's a younger man. I think that was something to do with it.

CH: That who was younger?

RETZLAFF: I mean Stevens. The new man, yeah. Although Cy isn't very old.

CH: But they were looking for a certain type of person with certain types of management skills? What were the things that they looking for in choosing Stevens?

RETZLAFF: Well, I can't tell you that because I wasn't on the board. But I would naturally think that they would look for somebody with a well-grounded retail experience. They had to have somebody like that. I don't think it would it would have done to put an accounting or legal type man in there, although sometimes you find that in large corporations.

CH: So, in terms of the sale of the company, were you privy at all to the actions that went on in terms of the offers that K.K. & R. made and that whole period of Fred Meyer

history in the early 1980s. I know that you weren't on the board, but were you discussing these matters with other people who were?

RETZLAFF: No, not — not really. Well, let's see. K.K. & R. came in, in?

CH: They made a series of offers in the early 1980s.

RETZLAFF: That's right. It was in the 1980s. No, I wasn't involved in that at all.

CH: So how do you assess your own contribution to Fred Meyer over the years?

RETZLAFF: Well, having worked alongside of Fred Meyer as closely as I did, and then throughout this whole period, I was probably the one that was closest to him because of the nature of my work, and not being in merchandising, I sort of complemented another side of him that, where he probably relied more on outside counsel. So I feel a great sense of satisfaction that I have been able to share that time and have been able to make my contribution. I think I did make some contribution in doing that because I think it helped to make Fred Meyer the company what it has become during that time, the 30 year span.

CH: Do you have a feeling as to where the company is going in the future or do you know of hopes that Fred Meyer might've had about where the company would go after he would pass on?

RETZLAFF: Well, I mean by that time it was quite a big company and it was a corporate entity, and there was no question about the continuation of the company, of course, regardless of who passed on and who took over. So our feeling was of satisfaction that we'd come this way, and we'll be going further in due course, and there has been further expansion right along, ever since then. We've gone into other states. We've acquired a

company in Utah, so a lot of things have happened since and no doubt will continue to happen. In fact, they are planning now, I think, going into Sacramento, I think. So, yes.

I might add one thing. I don't know whether I touched on that. Fred Meyer has helped a lot of people set themselves up in business. A lot of our buyers would set themselves up. I can recall one of them, with whom I have been in touch quite recently. He — and that is Herb Crane, Herbert Crane, who was one of our department buyers. And of course they deal with suppliers, so he set himself up as a broker and developed his own business and became very prosperous, and incidentally is quite interested in Portland opera. That's how he has contacted me. [Laughs] I'm interested in Portland opera so I've had some great contacts with Herb Crane. But he is an example of a man that set himself up in business and there are others like it.

CH: How — what did he do for Mr. Crane? How did he help him get set up?

RETZLAFF: Fred Meyer?

CH: Yes.

RETZLAFF: Well, I mean Herb Crane was a buyer and as a buyer, he developed his contacts. I don't mean F.G.M. as such helped him. He didn't tell Crane, "Go out and open your office and here is some money" or so. No, he didn't do that. But this is through Crane's own contacts. Buyers develop quite close contacts with suppliers and get to know them and so.

And then there are other examples just like that. There is a food broker, a man who has a food brokerage business here. The name escapes me. So then they just branched out, and this was perfectly legitimate. They were good men, and they succeeded, and it's just a matter of a smaller businesses being spawned off from the big company.

CH: Then he was happy to see that?

RETZLAFF: Oh, yes. Yes. Yeah. Yeah, they were good friends, and they would come in and see us. And of course they continued doing business with the firm, and their own lines continued to be handled in the firm, and they handled them, and they came in and they'd see us, and they would — right now, I mean, there is one, particularly, one meeting every Christmas for older Fred Meyer employees, and there are a number of these fellows that always come to this meeting.

CH: Well, is there anything else you'd like to contribute in terms of the history of Fred Meyer?

RETZLAFF: Well, I think I've said about everything. [Laughs] No. I think that sort of covers it. I think we've covered his individual aspect. I think I've talked about his being a very well-educated man, didn't I? And that has always impressed me tremendously about Fred Meyer, even though he had little formal education, which just goes to show that education is something less — something other than just book knowledge. [Laughs] And his character as a man, his charitable impulses, and so I — maybe I've talked myself out.

CH: Is there anything about the company that you'd like to add?

RETZLAFF: Well, no. Not really, because the company now is an independent corporate entity, and it has a life of its own, and it's going to expand and going to go on. Of course, a lot depends on having good people in charge, but I hope and feel that they will have. And there's enough continuity now, so that the company should prosper and continue to grow, and all the recent signs are that way because I did mention that expansion into California. They're going in Alaska, you know. They've added new stores in the last few years in Utah. I think they now claim 11 Western states, so.



CH: Well, I want to thank you for your contribution. Your remarks are very valuable in determining what happened and how it happened and why it happened. So I really want to thank you for having spent this time.

RETZLAFF: Well, thank you, and I'm happy if I have been of some assistance. And remember, I'll still be here if, as you go through this material. If some things need clarifying or expansion, don't hesitate to call me. I'll be around.

CH: We may well do that.

RETZLAFF: Yeah. So if I've been of some assistance, that how I'm happy.

CH: Good.

RETZLAFF: I think that's one thing I owe to F.G.M. and to my old firm.

CH: Well, thank you very much.

**[End of Tape 8, Side 1]**

**[End of Interview]**