

Ed Fairbanks
NPS Skagway Oral History Project
Skagway, Alaska
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Interviewed by Karen Brewster

Karen Brewster: I'm Karen Brewster and I'm here with Ed Fairbanks at the National Park Service office conference room in Skagway and Stacey Carkhuff is running the video camera for us. Ed, I want to thank you very much for coming in this afternoon. So to get us started why don't you tell me when you came to Skagway, where you born here?

Ed Fairbanks: No, I don't know how far you want me to go back but how we got here, if you go back to the late 1930's and early 1940's my father was a Safeway store manager out of the Salt Lake district. When World War II came along he was too old for the draft but at that time they were drafting civilians for what was called 'essential work' and he was drafted to go to work at the (something) depot during the war. Following the war he wanted a change of scenery and he and my mother decided they want to come to Alaska and we came to Alaska in March of 1946. He worked for the railroad for a short period of time as a cashier, there were some labor problems with the railroad and to placate the railroad workers the railroad offered to give the men a commissary and my dad having had grocery business they selected him to organize, establish, and manage a commissary for the railroad. He managed that commissary until about 1956 when he had a little dispute with the railroad and he left Skagway and he and my mother moved to Fairbanks, Alaska. In 1958 the railroad got into a dispute with the men again and the railroad through it out, said they didn't want the commissary so the railroad contacted my dad and asked if he would come back and would like to buy that commissary from them and operate it as a grocery store and since if he was going to buy it and own it and run it he said he'd take a chance and come back. At that time there were 3 grocery stores in Skagway other than the railroad commissary so when he came back and opened that to public that made 4 grocery stores in Skagway. With his experience in the grocery business with Safeway, quite frankly he knew a lot more than any of the others of the 3 stores that were here, they were still 1930 type grocery stores that were not self-service stores everything was either behind the counter and had to ask the clerk tell the clerk what they want and he handed it to him. My father was the man who introduced self-service grocery stores to Alaska. With consumers it took off and he captured with self-service groceries he captured nearly 3/4ths of the grocery business in Skagway and in not more than 2 years two of the former grocery stores failed and that left Skagway with two grocery stores and he still held between 75-80% of the business. He passed away in 1960 and my brother and I decided that we would keep the store and make an attempt to keep it manage it and run it. We were fortunate in that my dad was a very meticulous record keeper, he had virtually every order he had ever written was on file, his payrolls were on file, all of his taxes were on file, everything. It was just like we had a textbook of the business and we learned the ordering by duplicating orders he'd left on file, we learned to do the payroll by the payroll that he had kept, we learned the taxes by the tax records he had kept and to learn the grocery business from his records was almost like taking a college course. We were successful enough of it that we made a success out of the store and continued to hold 75-80% of the store. We were still in competition with the last remaining

grocery store until that man died and that left us as the only store in Skagway, there have been 2 or 3 attempts to start grocery stores but they haven't competed with us. One of the things we've done is upgrade and reinvest in it and our fairway market was the first market in Skagway to have a refrigerated dairy case, first store with a refrigerated produce case, first store to bring frozen foods to Skagway and we were the only store that got into the fresh meat business, prior to that all of the meat came to Skagway frozen. We brought back fresh meat to Skagway. WE have maintained in Skagway a store that nobody else who's tried the grocery business here has been able to compete with. The early part right after my dad died and the business in the 1960's when we got the business freight service to Skagway, the logistics was very difficult, in fact the logistics today is still difficult compared to lower 48 but in the early 60's we received freight deliveries only once a month and that meant that dairy products you could only handle about one fresh dairy products one week out of a month, they'd come in fresh for about a week and beyond that there was no transportation. It meant we had to lead our orders a long time in advance. It resulted in a lot more over's and outages and longer terms of outage than we have today simply because if we ran out of an order or not happen to have that item on order the next boat still didn't come in for another month you'd be out of that item for two months. It is a difficult atmosphere to work in, in fact my father used to always say the little store in Skagway was harder to run than any other Safeway and it was simply because of the transportation process and logistics. It meant a lot of planning ahead on your orders. It still does even though, we get weekly delivery, we are working with 3 orders all the time. We are writing an order, we have an order that's in Seattle being filled and we have the order at the back door being filled. We are working with 3 orders at all times; there is no store in the lower 48 doing that. Those stores can write an order one night and get a delivery the next day. We write an order that gets to Seattle and we receive that order 12-14 days later. So that means we're writing an order, we have one being put up in Seattle and we have one at the back door that we're receiving.

Karen Brewster: So you have to plan ahead a lot.

Ed Fairbanks: A lot of people don't understand that, even lower 48 store managers don't understand that. We have made it work, you have to. Now as far as the history of the store in Skagway after my dad got it, he got it in 1958 it was still in the old Railroad commissary building and that building is the old barracks building here on 2nd avenue. That was the first Fairway market, that's where the railroad commissary was and that's where he operated the store.

Karen Brewster: So when it was the railroad commissary was it called the Fairway Market?

Ed Fairbanks: It was called the commissary, he changed the name and it's kind of interesting the way he came up with the name. He wasn't thinking of Safeway when he named the store, he picked Fair off of Fairbanks and picked WAY off Skagway so he combined Fairbanks with Skagway and that's how it became Fairway market. That's where the store was when he passed away and that's where my brother and I had the store. The building still belonged to the railroad and one day the Superintendent of the railroad came over and he said you guys have to get out of the building, we want it. So basically we got evicted from that building and we had no idea where we were going or if we'd even have a store after that. The people that owned the power company at the time owned the building on 5th Avenue that is

the two story building down there on 5th Avenue on the north side but at that time it was not that two story building it was just a cubicle and they owned that building. After the power company bought that they built the company that's there, a lot of people think that's a historic building but I don't think it is the original cubic building was but the power company built that building in the 1960s and they heard of our plight and our problem and they wanted to build a building of their own so they offered the building to us. So they stepped forward at just the right time. My brother and I contracted to buy that building and we moved Fairway market from that old building on 2nd Avenue to that new building on 5th Avenue and we were there for a number of years and decided we thought that it was a very small building, we had an opportunity to buy the property where the present store is and we were able to finance the store and we built that building in the 1970's. We opened that store in February 1972 and that's where it's been ever since of course. We have expanded the building once, the original building was 6000 sq ft and we had an opportunity to finance further and we added an additional 2500 sq ft so now the building is 8500 sq ft and it's a small building for a grocery store and in the summertime when we have tourism and we're just slammed with tourists the building is too small, this time of year it's too big because Skagway is a very- very small grocery market. You think in terms of a supermarket like Safeway there was a housing area in Seattle that they were trying to attract the developer to go into Safeway in that development and Safeway said come back and talk to us when you've got 10,000 housing units occupied. They figured it took 10,000 families to support a Safeway store and here you've got a total population of about 900 people.

Karen Brewster: In the winter time?

Ed Fairbanks: Yes. In fact the fluctuation in our business our business in the summer is over 10 times what it is in the winter. In fact if it were not for the tourist business that store would not be here today. We always subsidize the winter operations with the summer profits and sales.

Karen Brewster: so the tourists even though they're just passing through they still come in and buy things at the store.

Ed Fairbanks: Oh yes.

Karen Brewster: Or is it the summer working population or both?

Ed Fairbanks: Its tourists, tourists buy a lot at the grocery store. It's surprising even though most of the tourists are coming on cruise ships you'd be surprised what they buy. They buy lots of fruits, they buy apples, they buy oranges, they buy grapes, they buy apricots, and you know they buy bananas, lots and lots of bananas. In the summer time we'll sell 25 cases of bananas a week – this time of year we sell about 3. Tourists all like bananas, they buy soda pops, they buy cheese, they buy crackers, they buy lunch meat, candy and lots of medicines – over the counter medicines. All the tourists get colds, we sell cough syrups, aspirins, Tylenol, all that kind of stuff we sell toothpastes, hair dressing and we even have lady tourists who buy home permanents and do their hair on the ship. They buy lots of laxatives. True that's pretty heavy food their eating aboard that ship. A lot of seasick medicines even though the ships come here on the inside passage except when they go by Queen Charlotte Sound and they have land on

both sides of them, not in heavy seas or something but there must be something psychological that they have to have their seasick pills.

Karen Brewster: I imagine the tourists that come by road, many of them are in RV's or camping and they would be buying things.

Ed Fairbanks: Oh yes, the people who come by buses from Anchorage and Fairbanks all want sea sick or motion sickness pills and you know that we've got one aisle in there full island of that stuff and I'll sit here and tell you that item in the summer time is the highest profit item in the store.

Karen Brewster: It must be a challenge to plan and figure out quantities, how do you do that? How do you figure out what to order?

Ed Fairbanks: It's by guess and by God. It seems like it's two, each order each week is a little bit different. I will say that we have got technology in the store that's equal to a Safeway store. We have the same computers the same servers the same everything that they've got virtually the same software the thing is our software and servers serve only 3 check stands but is capable of serving 19 check stands. We've basically got the same technology, same reports and I try to write the orders somewhat off of the item movement codes, item units, it really doesn't work. I haven't been able to figure out why I tried to do it particularly with dairy products because they are perishable but if you don't have enough you're out you don't make the sales if you over order you lose it because it's perishable. I have a very difficult time taking the computer movement readings and trying to write orders on them and having them come out right. It seems almost every week it depends on what tourists you've got and what they're buying and you may have a week of heavy tourists so your readings that week will be high and if you order from that then your readings become low then this is high and it becomes a loss the next week, if you cut it too low then you haven't got enough. I have talked to people all over the place and nobody can give me an answer how to even it out and you just have to guess.

Karen Brewster: It never occurred to me that everything that goes through the register or computerized system now tracks it and you get a reading of your sales and you can look at that and see what's selling and what's not.

Ed Fairbanks: Yes, but every week of sales doesn't necessarily meet last – next week's sales that I won't have the readings for because we haven't sold it yet, they inevitably don't match what the readings were when we took them.

Karen Brewster: So in 1960 when you and your brother started how did you figure, you said you had your fathers orders is that how you figured out what to order?

Ed Fairbanks: Yeah, that's how we figured out how to start ordering. We had to write orders for a whole month and he was writing those orders for a whole month and if he ordered 25 cases of crackers we started out ordering 25 cases of crackers. I'll tell you something for me, the economy I believe we have this tremendous business in the summer time that I really appreciate but when we had the railroad running year round, daily, and 200 railroad workers here it was a much easier business to run then than

it is now because those 200 railroad workers were basically constant-constant-constant you didn't have the peaks and valleys that begin with the tourist business and a very rapid decline in the winter. It's a challenging business.

Karen Brewster: Did you and your brother work at the store when you were teenagers?

Ed Fairbanks: My brother did, I never did. My brother never went to college and we both were basically raised in Skagway since we came here in 1946. We both went to high school and graduated here. I went on to college, he did not. So when he got out of high school he went to work for my dad, he had worked in the business for the two years while our dad lived so he had that experience and I didn't. What brought me back here to go in the grocery business with him; I graduated from college in engineering.

Karen Brewster: What college?

Ed Fairbanks: The University of Alaska-Fairbanks. I worked at Goodnews Bay Mining Company, in fact my degree was in mining engineering I worked at Goodnews Bay Mining Engineering for two years as their mining engineer and then I left that company and went to work for a Seattle construction company as a construction engineer. I worked as a construction engineer until the period when my dad died but I was continuously traveling, the company I worked for was in the dredging business and waterfront construction and we were dock building, chip channels, landfills, dock construction and I was continuously moving. My wife, she says I'm not going to be a construction camp follower and she wouldn't go with me so we basically, the first five years of our marriage we didn't live together she stayed here in Skagway and I was hopping from job to job to job. In fact, I was the engineer on the Skagway boat harbor, the engineer on the Haines boat harbor, on the Aurora boat basin in Juneau. Channel dredging in Coos Bay Oregon, landfill in Seattle Washington and this kept me away from home and she said when you want to visit your welcome to come home. When my dad died to placate her and in the interests of the family I quit that job and came back and my brother he had two years experience with my dad I had zero experience but we made it work. I enjoyed the construction business, and I made good money at it but there was just no family life and my wife was very unhappy.

Karen Brewster: Now you said your father established the first Safeway in Las Vegas?

Ed Fairbanks: Yep, when they were building the dam.

Karen Brewster: Do you remember that?

Ed Fairbanks: No, I've got pictures of myself in Las Vegas but I don't remember and I think I was about 2-3 years old.

Karen Brewster: So how old were you when your family moved to Skagway?

Ed Fairbanks: 1946...what would that make me, 14 years old? So yes 14.

Karen Brewster: You have a good memory of it

Ed Fairbanks: I was in the 8th grade in school and in those days high school started here in the 9th grade.

Karen Brewster: You talked about the issue of freezing and refrigeration, what did they do before they had refrigeration and freezers at the store?

Ed Fairbanks: They just put it out on shelves with little bins and they'd put lettuce in this bin and carrots in this bin and sold it that way.

Karen Brewster: But dairy products and frozen foods?

Ed Fairbanks: Most stores had a refrigerated meat case, it wasn't a meat case like we have today it was one of these with a glass front and layered inside and doors in the back opened up and they'd put a little bit of milk and stuff in there and that's what they had for dairy products. The thing was there was a lot of powdered milk it was at that time that they developed the first pasteurized milk was called Avo, I don't know where they got the name. It was canned whole milk. Later Carnation came out with a concentrated milk and it was a frozen milk, it came out in a 3rd quart carton frozen and people would thaw that out and mix it with 2 of water to make a quart of milk and that was the next thing. Powdered milk came along and the first powdered milk was terrible, it wouldn't dissolve. Carnation I think were the first people who came on the market with powdered milk and you'd put it in a glass with water and stir it around and it'd come back to the top but it was horrible stuff although they've improved it now. We still carry a little bit of powdered milk but people buy it very seldom, a few ladies will use it for cooking maybe.

Karen Brewster: It's good for camping. Refrigeration freezing, not only how you keep things fresh when they get here but the transportation time, how does that work since it's a long way?

Ed Fairbanks: Well, the transportation companies that was something dairy freighters had some little freezers aboard but now we receive the perishables like frozen and fresh products in refrigerated vans.

Karen Brewster: When were those invented?

Ed Fairbanks: Probably about I think they've been using them for about 20 years or thereabouts the first ones were developed.

Karen Brewster: So before that, how'd they keep things fresh like meat?

Ed Fairbanks: We didn't have fresh in those early days we had freezers but not coolers so everything came in frozen.

Karen Brewster: So fruit and vegetables came in how they got here. I guess fresh is a relative term at that point.

Ed Fairbanks: I know we probably get the biggest complaints is produce and the thing about produce is that the success of fresh produce in a grocery store is get it out of the fields and on the shelves. Fruits and vegetables are about 90% water and first thing that happens with the fruit is the water evaporates before the fruit actually spoils. You see peaches that are all wrinkled and stuff that could be that they haven't started to rot yet but the water has evaporated that's why when you go in a lot of grocery

stores they have these misters and I know consumers could accuse the store of trying to make it heavy so they cost more but that's not really the intent the intent is to keep it moist that it slows down and inhibits the evaporation of water from the produce, it keeps it fresher. We've got tables at the store that give you the shelf life or produce once it goes on the shelf and it's surprising how short they actually say the shelf life is, we can't adhere to those because even in Seattle where the growing fields are in California, they harvest that stuff get it in those trucks and it's in Seattle in 24 hours it's on the store shelves in 30 hours. Now, our merchandize that we get it's harvested in California, it goes into a produce distributor in Seattle and depending on how it ships out of Seattle and the truck arrivals it might lay in Seattle for 3 days before it gets to us then it is a full 7 days from there until we get it so we have got it where a store in Seattle gets produce in 2 4 hours we've got 10 days before we get it – there's no way possible we'll ever have the same quality of produce here as you would get in a Seattle store. It's the time, the time lag to get it here.

Karen Brewster: Through the timeline of running the store how has produce gotten here, train or truck?

Ed Fairbanks: How does it get here?

Karen Brewster: Yes.

Ed Fairbanks: Ok, it's going to be trucked to Seattle where they load it in the vans, it goes aboard a barge and the barge comes into here every week and then that van is brought right to the stores back door. So once, basically the produce is never really out of refrigeration any long period of time because it transfers from a refrigerated truck into a truck at the wholesale house and out of the coolers at the whole sale house into a van and you know they can load one of those vans in a matter of minutes and they pre-cool the vans so they're cold before the produce goes into it and it stays refrigerated before we take it out and before we put it on any shelves we put it in our coolers to store but it's still 10 day old produce before it even gets to us.

Karen Brewster: That's how you do it now but how did your dad do it in the 50's and you guys in the 60's? How did that kind of stuff get here? By same the same way - by barge?

Ed Fairbanks: No, they had old ships that were being used between Seattle and here were old World War II Victory ships, the old World War II freighters. They were slow ships, they didn't have the refrigeration basically they were built to haul war materials to the pacific and Europe and the company the Alaska Steamship Company bought a lot of these old ships after the war because the government was basically giving them away – give me a \$1 I'll give you a ship and that's how they got them and they were never designed and built to handle it that way. They did finally come up with refrigerated containers they were not shipping containers like we have today, they were very small but they were handled a lot different too. When that ship came in the container didn't come to our back door instead they opened up the container on the dock and long shore men loaded a flatbed truck for the transfer company to bring it to us. Transportation hadn't evolved to the point where it is now, compared to today the transportation back then was very archaic.

Karen Brewster: Right but they didn't use the train or once the highway was built the trucking season's it's always been by barge.

Ed Fairbanks: It's always been by barge. Now I did experiment with a oh about 4 or 5 years ago with an independent trucker to haul our produce from Seattle to here and actually it was really quite good compared to the barge because he could load his truck in Seattle and go the highway and be in Skagway in 30 hours so instead of 7 days on the barge he was here in a day and a half by truck and that worked out and it improved the quality of our produce a great deal. He was an independent truck driving through Canada and the Canadian government stopped him from doing that. This is where you get into international politics they told him that in order to drive through Canada he had to have a Canadian truck driver in his truck so he could drive his own truck to the US/Canada border there a Canadian driver had to get in and drive it to the Canadian border where the Canadian driver could get off and then he could bring it on back into Alaska. That was Canada protecting their trucking industry or their drivers and that's what killed it and it was very satisfying and he was doing it for the same price the ship was charging and I was getting that much better service the quality was better but we got involved in international politics and the Canadians stopped it.

Karen Brewster: Now you mention when your father started the business there were other markets in town and as years went on with him and you and your brother they kind of went out of business why is it that you were successful and these others weren't?

Ed Fairbanks: Simply because we reinvested in the business and continuously improved it where those stores, the last man who passed away was doing business he was still operating with the same store that he'd had in the 1930's, he hadn't changed it when it wasn't the 30's but he came up here in the war and he had never changed that store since the time he started it until the time he died it was still the same store. He had done a little bit of self-service in there but basically he had to hand a lot of merchandise to his customers you couldn't go in and shop shelves like you could in ours.

Karen Brewster: and is the type of store where you can't self-serve more expensive to operate because you have to have more staff does that make a difference? What was so appealing about self-serve?

Ed Fairbanks: It gave the customer the option to pick and choose, she could browse the shelves, pick and choose, and she could read the labels. What do you do when you shop in a store?

Karen Brewster: Exactly.

Ed Fairbanks: The customer had the freedom of choice and the freedom of browsing and the fact in a way it's good because you know studies have shown that still ladies shopping at grocery stores nearly 60% of her purchases are impulse sales. The type of store that he was running they couldn't make an impulse sale the merchandise wasn't out there for them to see and what they don't see, they don't buy.

Karen Brewster: Well, that's certainly obvious in large stores whether it's a super market or something else that position a product.

Ed Fairbanks: Positioning a product there's kind of an art to it, I'm not an expert but I've had some training these company's spend a lot of money on consumer researcher, that's why when you go down a dry cereal aisle and look how colorful it is, look at the packages and you don't see two red products together, you see a red product next to a green product that's what they call color breaks. You identify this product by the color and that product by a color and they do the same thing with produce, when you go into a produce market look at it sometime you'll see yellow peppers, green peppers, red peppers and you will never see, you will probably see green peppers next to green broccoli, you'll put the red peppers next to green broccoli so you create a colorful image as you go down there it attracts people to a color.

Karen Brewster: As a grocer are you able to go get this training in order to help your sales?

Ed Fairbanks: Oh yeah, we have what we call a wholesale house or where we buy from has "retail counselors" and about every 3 or 4 months we have a counselor come through the store and gives us ideas and makes changes and gives us what they call plan-a-grams where to put this merchandise and they will pre-plan this before they come into the stores.

Karen Brewster: That's what I was wondering when you said cereal boxes that were by color if that's the companies who produce those cereals are telling the grocers where to put them?

Ed Fairbanks: I guess they have done that in some of the stores there's been a lot of controversy over that but we've never had someone like Kellogg's say we want Kellogg's here and here. It's illegal for them to do that but it still happens because it gives one manufacturer preference over the other its' kind of a violation of free trade.

Karen Brewster: I'm sure the community kind of decides a preference for a certain products.

Ed Fairbanks: Oh yes it does, very much so. If you want to move an item I said something about 60% of the ladies purchases are still impulse sales. If you want to move an item put it at eye level, something like nearly 70% of sales off of shelves come from eye level to your lower waist so something on the upper shelf and down on the bottom they won't see. I'll give you an example, you go into a store and you'll find Best Foods mayonnaise on the bottom shelf and the reason for that is Best Foods mayonnaise is the best selling mayonnaise in the United States so the customer is going to look for that if they can't find it so they will look down, they will search it out, so we know that they are going to buy Best Foods mayonnaise wherever it's located so we put it down where the normal slower selling area but we'll move what would normally be a slower selling item up higher at eye level. There's a little bit of psychology to it.

Karen Brewster: The psychology of the grocery business but clearly there is a lot of that going on.

Ed Fairbanks: There is a lot of psychology in the grocery business, yes there is and you look at the colors you know there's been complaints somewhat of women how Kellogg's advertising to their children. Sure they are a child he sees Mickey Mouse on a package of cereal that's what he wants and he'll scream and

holler until his mother buys it. Children eat cereal and bright colors attract children, that's why you see Spiderman on one box and Batman on another box and the child is buying Spiderman, not the cereal.

Karen Brewster: You mentioned with the dairy and things, food loss, I would think a grocery store would be a problem with that food loss to maintain a profit.

Ed Fairbanks: How do we handle it?

Karen Brewster: What do you do with the rotten food did you throw it out? What does that do with your bottom line?

Ed Fairbanks: Well, if you throw out too much that affects your bottom line pretty seriously because the grocery business is a low margin business so even in Skagway without a competitor it's a low margin business. I'm not afraid or ashamed to say it the bottom line at Fairway Market is only 3 cents on the dollar, now that jewelry store over there is 50% or more. He'll sell a gold nugget he'll buy it for \$50 and sell it for \$100, I buy something for \$10 and bottom line that comes out of it is only 3 cents so I come out of that with about 30 cents on that \$10. Customers, we don't have competition in Skagway as far as that goes but everybody does have competition. Everybody that gets that Costco book that comes up here they know what it is at Costco and at Fairway Market and as much as possible I've got to try to get as low as they can because Costco even though they're not here their driving my prices down because they're visible here. Same with Fred Meyer, same with Super Bear in Juneau they run their ads down there and we run a little weekly ad here and our ad equals the ad prices in Juneau and that's because we have to compete with those people even though they aren't here.

Karen Brewster: How do you stay profitable?

Ed Fairbanks: Just trying to do the best I can and sell as much as I can. That's what brought the big stores in, there is a statement that in the grocery business lower the price sell more make more and the more items you sell the more you can make on a lower price you can mark something up high and sell only a few of them or mark something low and sell a lot of them vs. selling less of a high marked item. I go every time I get to go and that's always when they're talking about pricing and advertising in promotion, lower the price sell more-make more. The more sales you make the more money you're going to make off them in the long run, not in percentages but in dollars. That was my father's philosophy, he would just grind the prices, that was one of the things that he did to the store in Skagway he just ground the prices to where they were operating in this town the same as the jewelry store as far as buy for \$1 sell for \$2 and my dad he just took the percentages and drove them down. He was selling products for half of what some of the other stores were. And that's how he picked up 75-80% of the business.

Karen Brewster: So when you get food spoilage, like dairy and produce you order too much, it spoils what happens to that spoiled food?

Ed Fairbanks: It just goes with the garbage there's nothing you can do with it it's just a loss. That's why you have to control the loss and stay right on top of it.

Karen Brewster: A loss financially but also a waste of food and resources.

Ed Fairbanks: I know. That's something you've got to be careful with the perishable, particularly produce you see first in first out, produce is one thing you can't do with that if you have a surplus of tomatoes you don't keep trying to sell old tomatoes because as long as you're trying to sell old tomatoes the good ones are sitting in the coolers rotting too. Once you've got something that has reached that point that the customers quit buying it stop trying to sell it, dump it, and bring out the new stuff for them to buy before it goes rotten.

Karen Brewster: It sounds like an incredibly logistically challenged business.

Ed Fairbanks: It is.

Karen Brewster: Especially in the early days when your father was doing it, even more so.

Ed Fairbanks: It was in a lot of ways, it really was although I would say going back to his time and where we are today I think it's a lot more complicated business than it was then. I think one of the things looking back as we've transitioned from those old days and technology I think its technology that's complicated it. The reports you get, we never had those reports before we didn't have to worry about them. This is one thing they absolutely inundate you with the major businesses they bury you in reports, bury you with this, and bury you with that. Its computers have made things a lot more demanding in a sense because if you don't keep the data up they're not worth a damn. You spend a lot of time at the computer. I used to spend about the first computer system we had I used to spend about...

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Karen Brewster: what did you say your dad got paid (how much) when he ran the commissary?

Ed Fairbanks: He was getting paid \$25 a week to manage the commissary.

Karen Brewster: once he started his own business he got paid?

Ed Fairbanks: He got paid after everyone else, my dad was a very frugal man and he was very conscious about paying his bills so a lot of times he didn't get paid because he was paying his bills.

Karen Brewster: I wonder about employees at the store and how that may have changed when your father was running it at first with the railroad did he have any employees or was he all alone?

Ed Fairbanks: I think he had about 4 ladies that were working for him. Of course they were all working for minimum wage at that time.

Karen Brewster: And when he took it over as his own?

Ed Fairbanks: When he passed away and when my brother and I got the store we were paying like \$2.75 or \$3.00 an hour for those people.

Karen Brewster: And you had similar, 4 or so employees?

Ed Fairbanks: Yes.

Karen Brewster: Did you and your brother make any money or same as your dad?

Ed Fairbanks: We didn't make a lot I tell you when I came back here to go to work in the store with my brother and we were first getting established my wife and I didn't take a vacation for 10 years. It was 10 years before we took our first vacation that we felt that we were far enough ahead to be able to do it.

Karen Brewster: And what's your staffing situation now?

Ed Fairbanks: Well right now I've got about 7 employees.

Karen Brewster: And does that change in the summer time?

Ed Fairbanks: Yes, because in the summer I actually had 35 people in there because our business was up – that store last summer we received 3 40 foot vans a week and we were constantly uploading. Those were three 40 foot vans for that store you take the square footage there and what we've got that's a lot of groceries. In fact I will tell you I compare our summer statistics with the national average for super markets and during the summer months our numbers exceed the national average. It's because of the small square footage of course but we move more groceries per square foot in that store than they do in the lower 48. Of course they've got wider aisles.

Karen Brewster: You don't have a lot of space for all the product.

Ed Fairbanks: In fact I'm going to be a little egotistical here now we had a man in the store, I don't know where he was from but he gave us a compliment he said this was one of the nicest small town stores I've ever seen. That makes me feel good because I think it's generally because we are the only store in town we do get a lot of criticism.

Karen Brewster: How do the people in town feel about how you've been operating as a business?

Ed Fairbanks: We have some very good customers but we have some that you can't please everybody.

Karen Brewster: What are some of the criticisms that you've heard?

Ed Fairbanks: The biggest criticism is you don't have any competition, biggest criticism that we have.

Karen Brewster: They think that affects the price?

Ed Fairbanks: It really doesn't affect the price. I'm doing just like my dad did and trying to get those prices down as low as I can. People can go to White Horse or Juneau and I want to try to keep as many dollars here as I can.

Karen Brewster: So being a small business owner in town like Skagway, what has that meant to you? What are some of the joys and challenges of that?

Ed Fairbanks: it's been challenging, I've kind of enjoyed the challenge and being my own boss sometimes looking back when I was working for somebody else sometimes being your own boss might be a little more difficult than working for somebody else but I've enjoyed being able to truly make my own decisions and if it turned out right I'm pretty happy and if wrong it's my own fault. I've enjoyed being my own boss and there is to a certain extent while it's real demanding there are some benefits there. I can pick and choose when I want a vacation and not have a boss tell me when I can go as long as I get my work done. I guess that's it I just like being my own boss. I never really had a lot of difficulty working for somebody else but I like being the man on the top making the decisions, making the calls.

Karen Brewster: What's been the hardest thing about keeping this grocery business going for all these years?

Ed Fairbanks: The hardest thing? Employees, the quality of employees has changed over the years. I look back at the ladies that worked for my dad and they became our employees when we got the business from him and they were hard working ladies, they were themselves interested in the business, we had one lady she would just keep going and going and going and she was always in the back room bringing things out and they were like people that realized if the store didn't make it they wouldn't get paid and they took a real interest in the store as well and this is a transition that's happened there are very few employees who have the same attitude. It's hard to find employees now that will take any initiative to do anything, you almost have to give them day by day almost hourly instruction if they get a job done they don't go looking for another one, they wait to be told what to do. There is, I would say it's a lack of concentration, psychology or what but employees we get now just don't seem to take the interest in other than coffee time and pay day. That's maybe I shouldn't have said that but and it seems to be universal I'll tell you something I think education is falling down. I very seldom have a high school kid who wants to work, ask for a job, the high school kids seem to be preoccupied in something else doing something and I see a lot of high school kids running around doing nothing. When I was in high school I was working.

Karen Brewster: Not for your dad

Ed Fairbanks: No, I worked for the railroad. I worked on the section one summer, the bridge gang two summers right in this building. There was an express agent and I worked for him after school. I had a goal, I wanted to buy a car and \$25 a week my dad couldn't buy me a car so I worked or it. I don't see kids doing that anymore, they act like they don't have any goals. They don't know where they're going. I listen to...there used to be a little coffee shop and I'd go in there and talk to some of the kids and I couldn't believe they weren't learning math, not really learning English, I'd quiz them a little bit what's 9 times 5, 45...what's 5 times 9 – uhhh. You run into these high school kids they didn't know who the Governor of the state was, you could find a high school kid here and he wouldn't know who the president of the United States was, and that's a true story. There's something lacking in education and it's almost you find the same thing in college students. We hire in the summertime college students that

come up here and they'll come to work one day they won't come to work the next they want to come home early – where were you yesterday, oh my friends went on a picnic so I went with them. Don't call in and let us know.

Karen Brewster: Different work ethic

Ed Fairbanks: This is supposed to be the future of America and by golly. You'd be surprised just in my check stand I've got the same technology you'd be surprised how many cashiers amongst college kids saying "I Quit" and I ask them why do they quit and they say because I can't fight the system any longer, I can't fight the systems any longer. We can do about 27 different operations in that check stand between cash sales, check sales, we do have a few credit sales for restaurants, credit cards, EBT, about 27 different processes they won't memorize them. They just can't and instead say "I can't fight the system any longer". This is one of the things I noticed, I've got a grandson who came in the store and he was going to work with me for a while and I said do you know anything about the Excel spreadsheet? Oh yeah we've studied Office in school. Ok, we're going to work with a spreadsheet but he didn't know how to open the spreadsheet so I said why don't you learn this? Oh we don't have to memorize anything all we have to do is know where to look it up. People have got to memorize things but teachers are teaching kids they don't have to memorize anything. How would you like to walk up to the check stand and have a clerk there with a book looking everything up before she can check you out? They gotta memorize things but this is what they're (not) learning in school.

Karen Brewster: So what do you see as the future of your family business?

Ed Fairbanks: Well, I'm hoping to be able to pass it on to my kid, I think he wants it, I've got as on working in the business with me and I think he wants it but I'd like to see him have it. I'm going to be rather blunt here I think our economy has gone all to hell and I think some of the things I see happening I think it's going to be damn difficult for a small business to stay in business.

Karen Brewster: Three generations of the grocery business would be pretty nice.

Ed Fairbanks: I'm a conservative yes, but I think right now and I've talked to other people and I think we've got the most unfriendly government in Washington towards business that we've ever had.

Karen Brewster: What about here locally? How has it been as an environment for small business? It seems like because of the tourist business.

Ed Fairbanks: We haven't been impacted by it I don't think the local government has been much of a problem to us. I think government, I'm familiar with what happens in other cities and other places and I think Skagway is quite friendly or lenient towards our local businesses.

Karen Brewster: It seems like with all the local businesses and little shops and things.

Ed Fairbanks: Of course I always complain about taxes but really in a way our taxes aren't high as what they could be compared to what they could be someplace else. We have reasonable utility rates here, our power costs are high but

Karen Brewster: You have a chamber of commerce, I don't really know what it does but it has to do with small business, right?

Ed Fairbanks: Well, they're supposed to be a promotional arm for business, there's the National Chamber of Commerce and the state chamber they're kind of a promotional arm for business. No, Skagway but you know you can walk in my grocery store I've got 5 licenses on my wall to be in business. We've got to have a license for the grocery store, a license for cigarettes, we've got to have a separate permit for meat department, there's three, we've got to have DEC in there I've got 5 different licenses. Here again even from the state level they haven't been difficult than to charge the fees and the fees aren't really unreasonable.

Karen Brewster: As a grocery store are you covered under food safety, health inspection, like a restaurant.

Ed Fairbanks: We're subject to health inspection for both the grocery store and meat production. We have the boiler inspector every year, the weights and measure every year, we have the ASHA occupational safety subject to their inspection. Haven't had a building inspection but we're subject to it. We come in under all those. They haven't been difficult for us to deal with and they've been quite reasonable if they find a violation they've been reasonable and give us time to correct it. We've never been issued a fine.

Karen Brewster: Your father probably didn't have to deal with health inspectors and meat inspectors.

Ed Fairbanks: The city has a business license then but not then. He had only the state business license, that's all he had. They didn't do all the other inspections they do now.

Karen Brewster: It sounds like maybe your voice is giving up.

Ed Fairbanks: I think it has become a more complicated business even though it's a small business.

Karen Brewster: The final thing I want to talk about is just the idea of the grocery store seems like the center of the universe in a town, have you felt that as running a grocery business how everything going in and out?

Ed Fairbanks: Oh yeah, it becomes a social center where ladies will meet there doing their grocery shopping and talk for an hour that social center it's a bulletin board we've got there. Everybody comes to do most of their shopping and I will admit and I realize this grocery takes a big chunk out of the paycheck every month. We do different things like one of the clubs here wanted bag stuffers so they brought in bag stuffers so we stuffed our bags with their stuffers. We always donate, we've never turned down local donations we give a couple hundred to kids and \$500 a year to schools and \$500 a year to 4th of July and all these various causes that come along. Some classes time to raise money for an activity we never turn them down for that its part of public relations.

Karen Brewster: It sounds like the community of Skagway appreciates having a local market and appreciates the business that you run.

Ed Fairbanks: I hope they do. Like I said we've got a lot of real good customers and a lot that understand. It's interesting the longer people have been here they're more favorable for the store as compared to when they first get here and they're away from their big super market for the first time that and I sure would like to have a bigger store. This is one of the handicaps of a small store also is buying, in the earlier days there was one price for all the merchandise but now buying is becoming a what you pay for the product is based on the volume you purchase so that gives the bigger stores a tremendous advantage. I can buy a case of tomato soup and a big grocery stores probably buys 3 pallets so you can see that they get a much better price and when you come down to it at the wholesale level and forklifts the warehouse can handle a pallet of tomato soup probably cheaper than the one case they sent to me because it has to be manually handled and I can see the rational that this happened where we're forced into a higher buying bracket for pricing and that would be one thing if Skagway was a town of only 1,000 or 1,500 people we could buy in quantities that would lower costs we are doing some of that right now. Paper products are big and bulky so a pallet of paper products is only 15 cases so we're buying as much of our paper products as we can by the pallet. On a pallet of paper products we might get \$20 off and that's only a \$1 a case but it's a dollar that I do give to the customer so I can lower it that way. Every once in a while they come along with a deal that they'll cut the price in half for a pallet so where your paying maybe \$25 for a case of paper towels and they come along with a pallet and they'll give you 50% off or half priced deal then we get it for \$12 or \$15 instead of \$25 but this is what if Skagway was just a town of 1,500 people it would make a great deal of difference and this is one of the changes that has taken place since we got the store from my father you could order from a wholesale house if you wanted a half a case of peas, they'd cut it in half and ship you a half a case of peas. If you wanted Planters Peanuts came 24 cans to the case if you wanted only 12 cans they'd split it and ship it and they didn't charge you for that, you paid the same price but as labor costs have gone up and everything has gone up these things have disappeared. Now it would be a tremendous boon that we could buy a pallet of corn flakes, there's probably 20 cases on a pallet of corn flakes, 1,500 people we could sell it faster we probably could get 4 or 5 a case off and we could lower the prices that way. That's where we're handicapped our logistics and our transportation but also by the size of our town. Even if you can buy things and we're trying to buy as much as we can in 5 case lots, they've got a price break on 5 cases some things we are doing 5 case lots because they sell fast enough but there are some things if we did 5 case lots it'd be 8 months in selling it.

Karen Brewster: Well, is there a...

Ed Fairbanks: We're trying to take as much as we can advantage of those deals when we can get them.

Karen Brewster: Is part of the strategy of that reducing variety so if you only have 3 kinds of cereal you can sell that faster than if you had 10 kinds.

Ed Fairbanks: Yes, but then we're not offering the variety.

Karen Brewster: And they want variety?

Ed Fairbanks: They want variety, yes.

Karen Brewster: Sounds like an awful lot of balancing.

Ed Fairbanks: It is a lot of balancing. We had one of our retail counselors go through our store, he'd come up about every 3 months and he'd say your too damn good to your customers cut down the number of items you've got. You start cutting down on items and that's when people start searching other places for them. I want to keep people coming through the front door and if they know I'm not gonna have it they're not gonna come through the door and when you realize impulse sales are a higher percentage of sales you want them in the door to buy those impulse sales too.

Karen Brewster: So all-in-all when you look back are you glad you made that change in the 1960's and came back?

Ed Fairbanks: Yes, in the first place it made my wife a lot happier and I was probably happier because she was happy and I get frustrated and it's been challenging and I've always liked a challenging. That's basically why I took engineering I liked math, I liked science I liked the lab work and challenging things, making discoveries. You're learning something every day if you're paying attention, something that you used to do isn't so important anymore.

Karen Brewster: Did your brother stay in the business with you?

Ed Fairbanks: No, he and his wife wanted out he took his money and he went into the lodge business and he did pretty good at that.

Karen Brewster: And when did he make the split?

Ed Fairbanks: Oh, probably about 15 years ago and he did well in that afterwards, he was happier there.

Karen Brewster: So you've been doing it yourself for quite a while, what a challenge. Well, I really appreciate your time is there anything else that we haven't talked about that your life here in Skagway?

Ed Fairbanks: My life here in Skagway, I'll tell you the truth I think that Skagway was a much more interesting town, we're getting a lot of tourists but when the railroad was running back and forth to White Horse and 200 people working here I think it was a much more interesting town and a much more social town. We had two movie theaters, we had three bars, we had a bakery, and a laundry. It was Kirby's, Kellers, and Richters they were in the curio business but Kellers was also a clothing store and Richters had merchandise and there was a men's clothing store in what is the Lynch Kennedy building. There was a lot more business in town, the Eagles, Elks, and Legion and a lot more social activities. The Eagles used to have a monthly community dance and a local band that played the music and families would go as families to the dance, mothers and fathers would dance with sons and daughters and it was a lot more social I think the high school kids I think looking back the school kids seem to be kind of clannish now and when we were in high school here we were a group, we did things together and it doesn't seem like the kids today do that like we did. Just looking at the summers we'd go to Lower Lake that's where we swam and we'd get 20-30 kids and grab our inner tubes and go as a group to the lake. There were enough people in town, there were 5 basketball teams, a regular basketball league in the summer we'd have a baseball league that we'd play all summer long. I think it was a more social town.

Karen Brewster: Why do you think that it's changed? What caused the change?

Ed Fairbanks: I don't really know but it doesn't seem like people associate with others like they used to. Whether it was we had a bunch of old characters in Skagway what do they call them, remittance men.

Karen Brewster: I've never heard that term.

Ed Fairbanks: Its men who their families paid to stay away. They were kind of alcoholics and wander up and down the streets in the bars but they never bothered anybody, they were kind of characters. We had a guy who owned the Pack Train Bar and tourism was just starting to take off at that time, Jack Permsie was alive and the gold chain with Jack Permsie and the black vest he'd meet everyone and hand out his business cards so the Pack Train guy did the same thing, he got a stove pipe hat and a red vest, his gold chain though was gold plated prunes on a string and he was passing out cards on a street and he'd stand out in front of the bar and say "Come into the Pack Train Bar...come and see the oldest and most original bar in Alaska" and he'd reenact the shooting of Soapy Smith down at the bar and one year he put a jail on the corner and he had a couple guys dressed up as vigilantes and tourists would walk up the street and they'd grab some guy and throw him in the jail cell and lock him in and the poor guy didn't know – leave him in there a little bit and the guy who owned the bar would open it and say come in the bar and have a drink and then give him a certificate that he'd been arrested in Skagway I think it was a much more interesting town and less commercialized town. There was another guy who had studied law actually but he was one of these guys who turned alcoholic and he could recite poetry and down at the Pantheon building he'd be sitting on the sidewalk and tourists would come by and he was reciting Shakespeare or poetry and he'd slap the sidewalk and say come and sit down by the side of the road and be a friend of man. Every once in a while he'd get some guy to sit down alongside of him and we had some characters, they never bothered anything and they were local color. I think it was a much more interesting town.

Karen Brewster: So what do you think about it being so much tourist based now?

Ed Fairbanks: I don't mind it because it means money in my pocket and I don't mind crowds, I like to travel as a tourist and I know there's a lot of people in Skagway that get upset with it and they like to see their ship go and get their town back but I'd like to see them all year round. They pay the bills and as things get as inflation kicks in things get more expensive it gets more difficult for us if we didn't have those dollars. I'm one of these people that I believe in development, I'd like to see something happen in the Yukon that would revive the port it was a transportation port that's what started it. That's what it was until the time the railroad shut down in 1982 it was the gateway to the Yukon and we survived on freight. When we first came here in 1946 the route for freight to interior Alaska was through Skagway, the ships brought it here, went up on the railroad to White Horse, down the river on the river steamers and back into Alaska that's what the railroad express office when I was working for the railway express agent here it was coming in through Skagway all the way down the river and back out this way.

Karen Brewster: That was before the Alaska railroad started using Seward.

Ed Fairbanks: The Alaska railroad there wasn't much freight going north that way this was the transportation route, it was the communications route, the building where the fire hall is now was an army barracks building and it was Alaska communications System the army that put the first communications in Alaska and that was the terminal for the phone lines that went up the railroad up the Alaska highway and back into Alaska that was the before the underwater cables and all the communications for interior Alaska came through here. ACS the Alaska Communication System and they had like 14 people working there maintaining the lines between here and White Horse and that was the terminal.

Karen Brewster: I never knew that, interesting, I knew about the military putting up old Valdez Trail but I hadn't realized they came through here.

Ed Fairbanks: Still Alaska communications I think it still says Alascom on the building and Alascom was still operating the phone systems for communications from Skagway all the way up.

Karen Brewster: This has been great, it's been great fun and very informative. Hopefully it's been fun for you.

Ed Fairbanks: well I like to talk.

Karen Brewster: It's been fun and interesting learning about running a grocery business and I appreciate all those details.

Ed Fairbanks: I look back to when I first came here and the city didn't hardly have a sewer system and nearly half of the houses and buildings in Skagway were still served by outhouses.

Karen Brewster: Really, in 1946?

Ed Fairbanks: Yes. People didn't want, I was on the city council at the time when we finally passed an ordinance that everybody had to hook to city sewer, talk about an uprising they were told they had to pay for the sewer connections. There was an uprising because they had to pay to be connected to the sewer system and of course they didn't want to pay sewer fees either.

Karen Brewster: What year was that?

Ed Fairbanks: Oh, I forget it must have been well it was after I came back to Skagway and I came back in 1960 was when I was on the council the first time was in 1960 it must have been that late when they finally passed the ordinance for people who were using outhouses but they didn't want to pay for the hook ups and they didn't want to pay sewer bills.

Karen Brewster: Still that way in Fairbanks in some parts of town.

Ed Fairbanks: We had one character here that worked on the section before the streets were paved he would work on the section all summer long until the first of October when it started getting cold and then he'd pick up a rock and tell everybody to move away from the window and he would break it out

the magistrate would give him 6 months in jail so he'd go to Juneau to jail so he'd get out of the weather and he'd get his 3 squares in jail and then his 6 months would be up and he'd come back and do it again.

Karen Brewster: So, when were the streets paved?

Ed Fairbanks: Let's see, to tell you the truth I forget.

Karen Brewster: When you came in 46 they weren't?

Ed Fairbanks: No, no they weren't.

Karen Brewster: How about in 1960 when you came back?

Ed Fairbanks: I worked for the contractor and I'm trying to remember if they were paved, was I still in college, because I came back here to work I think I might have that might have been during my college years and I spent my summer paving them.

Karen Brewster: That would have been in the 50's

Ed Fairbanks: I graduated from college in 1954 so it might have been during that time.

Karen Brewster: That gives us a general idea. Well, thank you so very much.

Ed Fairbanks: I hope it's something you can use.

Karen Brewster: I think so and I think your family will appreciate having this documented as well.

Ed Fairbanks: A lot of stuff other people might have and I think there's some that probably got in the way.

Karen Brewster: We can only do what we can do but we certainly have a good list from the park service.

Ed Fairbanks: ...but it's the Boss Bakery. My dad was going to buy that building but my brother and I were the ones that tore that building down and I'm sorry that we ever did it but we just didn't have the money to pay the taxes on it at the time so we tore it down and as we were tearing that building down we found old records that the Harry Ask had been a supplier one of the major suppliers to the gold rush and I wish we didn't but we ran across invoices and account books and all kinds of stuff that was up there from the Harry Ask, they were into everything, horses, mules, saddles, gold mining equipment not just groceries. They were one of the major suppliers.

Karen Brewster: Unfortunately you and your brother probably just tossed those.

Ed Fairbanks: We just tossed, we weren't thinking history at the time and I don't think many in Skagway were thinking of history. I have some regrets that we did that but there was economics involved but that was huge building.

Karen Brewster: Hindsight's 20/20

Ed Fairbanks: I asked the question how they put Kelly Block on that one building. When I came to Skagway that building was Skagway Alaskan building.

Karen Brewster: Now which building is that?

Ed Fairbanks: The Kelly Block building the one right next to the Eagles. I wondered how they came up with the name Kelly Block because it was the Skagway Alaskan when I was here in fact I think the printing presses were still in the basement downstairs. I've got a photo of it when it was the Skagway Alaskan.

Karen Brewster: So that was the newspaper or something?

Ed Fairbanks: Yes. Somewhere along the line somebody decided it was the Kelly Block building because in 1946 it was the Skagway Alaskan.

Notations:

***DVD garbled