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**Series:** Speech File Draft Files  
**Subseries:** Chron File, 1989-1993

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**OA/ID Number:** 13612  
**Folder ID Number:** 13612-005

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**Folder Title:**  
Sam Walton Medal of Freedom Ceremony 3/17/92 [OA 6099] [2]

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FAX TRANSMISSION

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TODAY'S DATE

3-13-92 TIME 2:40

NO. OF PAGES

7

TO:

Michelle Nix  
Washington

LOCATION

FAX NUMBER

TELEPHONE NUMBER

FROM:

Becky Elliott  
Bentonville, Ar.

LOCATION

FAX NUMBER

TELEPHONE NUMBER

COMMENTS

Michelle - Here is what may be a good representation of thoughts concerning Mr. Sam. If you need more, don't hesitate to give me a call.  
Jhl, Becky

**U**sentation of articles from our store reporters. This means that every region will receive its own Store News insert with each issue of the **Wal-Mart World**. Along with the Store News, these inserts will include brief messages from your Regional Vice-President. We'll still carry two to four pages of Store News in the regular magazine so that you can see what's happening at Wal-Mart stores across the country.

Why such a drastic change? Associates throughout the Company indicated that we needed to include more store-level articles. A whopping 85 percent of associates who responded to the survey said that they definitely wanted regionalized Store News, and 63 percent of you wanted us to also include news from around the country in the magazine.

This was no surprise to us. In the past, we've received far more articles than we could possibly print, and we've always known that our associates are inter-

**cle from each region in the regular magazine -- the best of both worlds!**

The inserts will feature between seven and 10 articles from each region. The articles will not be arranged according to category, such as "Bright Ideas" or "Associate Creativity." Instead, inserts will cover a variety of topics that reflect what's going on in your area. We need your input to make them as interesting and informative as possible.

Even if you've never had anything from your store printed before, even if your store doesn't have a store reporter, send us some articles -- now's your chance to share your news and have your facility recognized! (For Store Reporter packets, call ext. 4142.)

We hope that these changes will keep our readers more informed about events in their region as well as happenings in every area of Wal-Mart's trade territory.

*A Poem from an Associate -- Appeared in our Co. Publication Wal-Mart World.*

### To Me You're Mr. Wal-Mart

by Shirley Hamilton  
Store #127  
Malvern, AR

We all know a man named Sam  
Oh, what a man indeed  
A legend in his own time  
More like him we surely need.  
He can get a thousand folks  
To chant, "Yes, We Can"  
That's why I'd gladly vote him in  
As leader of this land.  
Sam had a little five and dime  
Just look what it's become  
This great Wal-Mart retail giant  
Oh, yes, we're number one.  
If I could give one reason  
For Wal-Mart's great success  
It's good customer service  
Thanks to Sam, I guess.  
He says greet those customers  
And make them glad they're here  
If we make them feel special  
They'll still be here next year.  
His Buy American program  
With all the jobs it saved  
And so many he is helping  
By matching funds we've raised.  
When I think of Sam Walton  
These words may come to mind --

Leader, teacher, helper, friend  
Proud, humble, tough, yet kind.  
We call you Sam at your request  
So proud that you're our man  
But to me you're Mr. Wal-Mart  
Wise leader of this clan.  
Always.

### Sarcoxis Senior Center

Conness Cooper  
Store Reporter

**Sarcoxis, MO** -- Over \$2,400 was raised by Store #59 for the Sarcoxis Senior Center. The center, which recently purchased a building on the town square, was in need of funding for its renovation project. Most of the money was raised by holding a drawing for a quilt made by the Sarcoxis Senior Volunteers. Associates worked hard to sell tickets for this community support effort.

### Three's The Charm

Johnice L. Hopson  
Store Reporter

**Searcy, AR** -- The associates of Store #187 were privileged to honor three original associates at a recent meeting. **Ruby Self, Linda Brawley, and Norma Sharp** received their 15 year pins as they were honored for being with the store since its opening in 1976.



Associates Linda Brawley,  
Norma Sharp and Ruby Self celebrate.

Michelle —

This is from a Shareholder/  
Customer.

February 7, 1992

Dear Mr. Walton,

As an enthusiastic Wal-Mart customer and shareholder, I wish to express my gratitude and appreciation for your policies, philosophy, and practices. Wal-Mart has made possible a higher standard of living for millions of households, including my own, not only in offering affordably priced merchandise in a customer-friendly atmosphere but also in creating jobs and a general stimulus to the economy.

Both personally and professionally you provide the kind of example and role model that American business and society need. I am sure that numerous others of the beneficiaries of your practices share my view.

My best wishes,

*Ann M. Montgomery*

Michelle -  
Nice letter from a  
fellow business person.

Good letter:  
~~to be~~

KAPLER & ASSOCIATES, INC.

1317 5th Street  
Suite 200  
Santa Monica, California 90401

Telephone (310) 576-7755  
Fax (310) 576-0922

February 29, 1992

Mr. Sam Walton  
Wal-Mart Stores, Inc.  
702 S.W. 8th Street  
Bentonville, AR 72716

**PERSONAL**

Dear Mr. Walton,

I know that you may not read this letter, as I am sure that you have others who screen your mail, but I needed to send this letter to you anyway, as I would not be who I want to be as a human being if I did not take the time to share with you these feelings that have traveled through my heart and mind.

I have heard that you are very ill and that you are battling your illness with great courage and valor. I know that the thoughts of just one man out in California cannot mean a lot to a man such as you who has received so much recognition and acclaim in his life, but I still feel compelled to express my respect and admiration to you.

I was at one time a menswear manufacturer and a supplier to both Walmart and Sams. Today I am a consultant and in fact consult for a garment company that supplies you with ladies sportswear. I feel like I know your company well, both as a supplier and as a consumer, as we shop in your stores when we vacation in New Mexico several weeks a year.

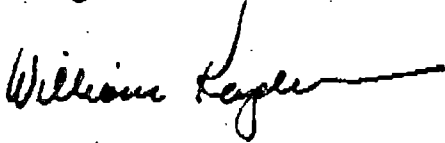
I have admired and respected your achievements, not for the money you have made for yourself, your family and your shareholders, although that is in itself very impressive, but I have admired the *amazing message that you have created for all to hear and that you will leave behind for all to see* for decades to come, that message being that a man with integrity, honor, and commitment can be successful without compromising his high standards and ideals and he can do this by empowering others with a sense of pride and ownership in their work and their decisions so that together, as a team, great things can be accomplished.

Mr. Sam Walton  
February 29, 1992  
Page 2

You will be studied in business schools for generations to come. Your standards will influence business for generations to come. You will leave a mark on our consciousness as a country that is far more meaningful than the money you have generated, and I for one want to tell you how Happy I am that I lived during your life time and that I was witness to your achievements.

God Bless you Mr. Walton and may your suffering be minimal and may your joy be great for you have made a major contribution to THE AMERICAN CONSCIENCE and you have created and will continue to create a new morality and a new ethic which we as a country so badly need and that will live on for generations to come.

With gratitude and appreciation, most sincerely,

A handwritten signature in cursive script, reading "William G. Kapler", followed by a long horizontal flourish.

William G. Kapler

## Letter from an associate's wife

Feb 3, 1992

Phil

Dear Mr. Walton,

First, let me thank you and your family for the untold years of sacrifice that were required to build the "Walmart" dream and make it the reality that it is today.

Your sacrifices built a company that provides jobs and financial security for hundreds of thousands. My husband is one of these. We've been with Walmart eight years now.

Because of my husband's hard work and Walmart's success and excellent employee benefits, I am privileged to be a full time wife and mother. Watching our daughters

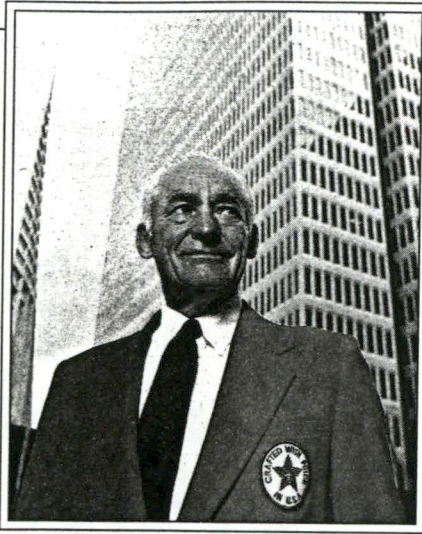
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grow and making a refuge  
in our home for my husband  
is very rewarding. I'm  
so grateful to you for the  
part you played in making  
it possible for me to quit  
my job and stay home.

During our Walmart years,  
I've always had someone in  
my life - that was also  
in yours. These people  
have shared concerns about  
your health and your  
sweet bride with me. It  
has been possible for me  
to spend time praying for  
you therefore, even though  
I have not had the opportunity  
to meet you personally.

Last night, I layed awake

The  
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ROB NELSON/PICTURE GROUP

# CEO OF THE DECADE

## Sam M. Walton

by Sharon Reier

**S**amuel Moore Walton, 71, the founder and chairman of \$20.6 billion-in-sales Wal-Mart Stores, bears a passing resemblance to ex-football coach Tom Landry, and has the same determination to win. Lean, white-haired and spry, Walton walks into the cavernous Sam's Wholesale Club across the highway from the Astrodome in Houston unannounced and without an entourage.

He has driven there alone in a rented blue Chrysler and he parks in an ordinary customer spot. No limo. No guards. No executive parking privileges. In an age when high-powered CEOs slip into secret merger meetings to engage in the dark craft of dealmaking, Walton stands in stark contrast. He is the old-fashioned entrepreneur who created a giant firm step by step, employee by employee. Walton may ham up his home-spun Arkansas ways, driving his 1978 pickup and flying a low-rent Navajo. For all his billions, this economizing may seem silly. But as fellow Arkansan David Banks, president of Beverly Enterprises, the California nursing home operator, and a Wal-Mart director, says, "With Sam, what you see is what you get."

And Wal-Mart employees emulate his thrifty ways. "You won't see many Mercedes-Benzes parked at the Wal-Mart headquarters," comments Steve Trollinger, publisher of the Bentonville, Ark. *Post*, where Wal-

Mart is headquartered. "With Sam's 'Buy America' campaign, they are afraid to—although their wives may drive them."

Today, Walton is wearing a tan blazer and nondescript brown tweed trousers and brogues. He gets on the PA system near the front door of the store and announces his presence in a down-home Arkansas drawl. Employees dressed in red, white and blue Sam's Wholesale Club sweatshirts shriek as if Elvis Presley had risen from the dead.

"It doesn't seem to take much to set this crowd loose," Walton joshes. They shriek again.

Walton laughs and exhorts the troops, telling them how appreciative he is of the wonderful job they're all doing. The employees cheer as if he were a presidential candidate. As Trollinger aptly observes: "If he had been a politician, who knows how far he could have gone? He has lots of personal magnetism. It would be great if he could bottle it and sell it." By spreading his enthusiasm and ambition to an ever-growing tide of 200,000 employees, in a funny way, Walton has.

"Have you only just begun?" he croons to the crowd. "Will you do as well the second year as the first? Are you taking care of your customers everywhere? Congratulations on being one of the finest wholesale clubs in our company, the country and the whole world."

After every phrase a round of cheers explodes from

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the store floor. Female clerks—called “associates” at Wal-Mart—are waving red-white-and-blue cheerleading pom-poms and strutting in a line. “Give me an ‘S,’” they shout. Everyone repeats “S.” Then “A,” then “M,” then “S” again. “What have you got?”

The store is electrified. Yesterday was this store’s first anniversary. A tricolor banner is decked across the store, as if ready for a high school homecoming. Sam shakes some hands, remembers several of the employees by name and thanks them personally. He employs large dollops of eye contact and smiles. It is as traditional as a Bible Belt revival meeting, as silly as a high school pep rally. It is show biz. It works. “Walton does a remarkable job of instilling near-religious fervor in his people,” says analyst Robert Buchanan of A.G. Edwards. “I think that speaks to the heart of his success.” Says Banks: “He makes people feel good. He is willing to get out there and do that. They all know he is the richest man in America and he is out there with them on the floor and that gives them pride. There is a feeling that it is a success that begat success, and once he got it started he could maintain it.”

For all that Walton’s success has been widely chronicled, its magnitude is hard to comprehend. As recently as a decade ago, Wal-Mart to most folks was just another Southern discounter doing less than a billion dollars worth of business and only a tenth the size of K mart. This year Wal-Mart’s registers likely will ring up as much as J.C. Penney and Woolworth combined. With its volume still expanding by over 30% annually, one can safely say that early in the 1990s Wal-Mart will surpass both K mart and Sears.

What’s more, in this fiscal year, Wal-Mart will net more than it grossed a decade ago. For a self-styled discounter, its profitability is incredible—4.1¢ on the sales dollar, versus K mart’s 2.8¢ and Zayre’s 2.2¢.

For all that, choosing Sam Walton as FW’s CEO of the Decade wasn’t easy. The competition was beyond tough. Tremendous effort goes into running a corporation. Often the day-to-day successes don’t receive the attention befitting the extraordinary achievements they are. To ensure a complete and unbiased assessment, FW polled some 2,500 chief executives, academicians, Wall Street analysts and research directors. From their selections came the 196 Bronze winners listed on page 84, the 12 Silver winners, whose

profiles begin on page 74, and the six runners-up to Sam Walton—all prior gold medalists as FW CEOs of the Year—whose achievements FW commemorates with a gallery of oil paintings starting on page 64. All of the winners were due to be honored by FW at our premier CEO-of-the-decade Awards Banquet at New York’s Waldorf-Astoria Hotel on March 16.

Without question, Sam Walton’s remarkable inspirational ability accounts for much of Wal-Mart’s profitability. In each year of this decade, the company has earned more than 25% on equity, compared with less than 17% by K mart. Its earnings growth over the past five years has averaged 33%, compared with 9.5% for K mart. It’s easy enough to see why Walton stresses the cheering and esprit de corps. It may be crass, but it’s profitable. With each employee averaging \$103,000 in sales versus K mart’s \$82,000, Wal-Mart gets \$238 per square foot of sales space versus only \$183 at its rival. At the flagship Wal-Mart store in Bentonville recently, an “associate” sat near the front door, offering to clean customers’ glasses for free (all the better to read the prices). And outside the Sam’s Wholesale Club in Houston, associates are giving out free soda pop to customers. Japanese department stores have their “greeters” to make customers feel happy. So does every Wal-Mart.

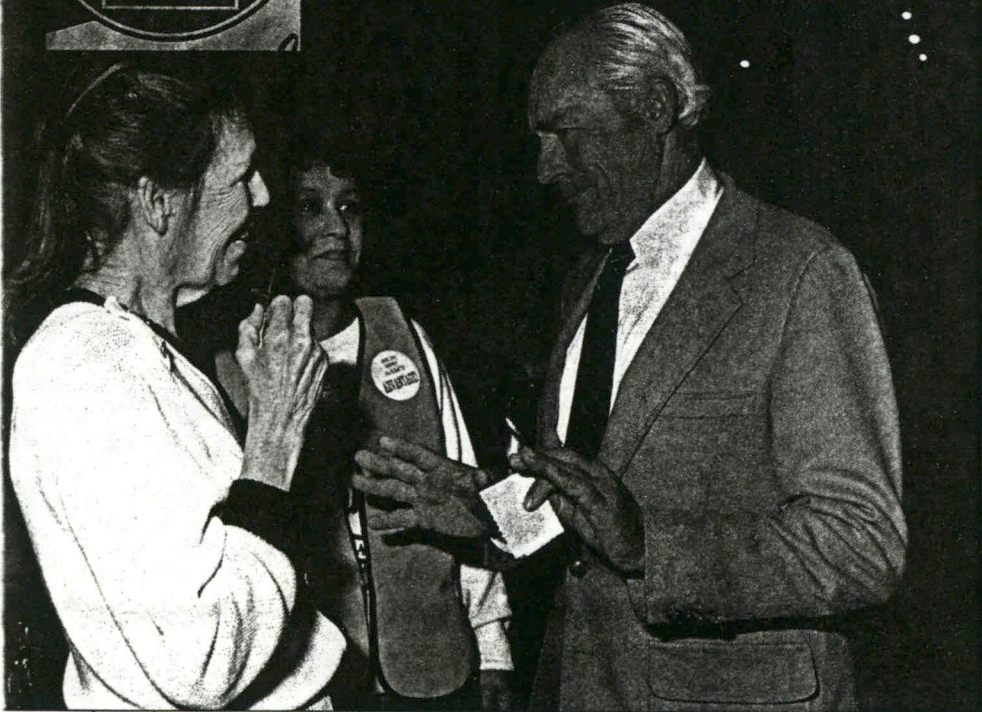


JAY HAMBURGER/BLACK STAR

“It doesn’t seem to take much to set this crowd loose.”

**LOW  
PRICES  
Every Day**

WAL-MART



"Will you do as well the second year as the first?"

What truly separates Wal-Mart from the competition, however, is a strategy that Walton latched on to from the beginning: the "everyday low price" concept. A recent comparison of Wal-Mart, K mart and Zayre prices in Florida revealed that Wal-Mart wasn't always the cheapest, but was on the low side, and frequently far lower. For instance, a microwave table was \$34.94 at Wal-Mart, while its counterpart at K mart was \$89 and \$69.99 at Zayres. On a four-pack of GE light bulbs Wal-Mart undercut the competition by 5%.

In the rough-and-tumble world of discount retailing, Walton has just received the ultimate compliment. It is early March, and the spring retailing season is in full swing. But Walton's largest competitor—\$29 billion-in-sales Sears, the nation's No. 1 retailer, has had its doors closed for two full days and the media is abuzz with Sears's new strategy. Employees have been slaving until three in the morning marking down prices on 50,000 items. Sears's new tactic: A variation on everyday low prices, the ultimate homage to Walton, who is considered responsible for originating and implementing the concept in the U.S. 26 years ago.

There's always a chance Sears will regain the skills that made it the country's dominant retailer in the 1950s, but judging from Walton's response, it's a small one. Walton admits he has not been sufficiently wor-

ried to forego a quail shoot at his spread in south Texas near the Rio Grande in order to visit a Sears store and check up on its renewed competition.

With typically ingenuous generosity Walton says, "But I did read the opening articles, and it sounded like they scored well. They must have done a good job of advertising and promoting it." Wal-Mart doesn't do much in the way of television and newspaper circular advertising, preferring to keep its costs and prices down.

By letting the shelf prices speak for themselves and by his own unflagging ambition, Walton has created a chain of 1,258 Wal-Mart discount stores across 28 states, plus 105 Sam's Wholesale Clubs, 10 Dot Discount Drugstores, two Superstores and two European-style hypermarkets.

Walton's original vision was that he had to keep costs at a bare-bones level from the very first to become a genuine discounter. And in a way, the whole Wal-Mart juggernaut is a fluke—the result of a poor decision made at the headquarters of Ben Franklin Variety

Stores in Chicago.

Back in 1945, Sam Walton opened his first Ben Franklin's in Newport, Ark., after a stint with Army Intelligence during World War II. His brother Bud opened a second Ben Franklin store in Missouri, where both had attended high school and the University of Missouri.

By the late 1950s the Waltons had the largest group of independent variety stores in the U.S., with 16 units. "We had already found out that large stores would do well in small communities, and we had built some Walton's Family Centers in small towns like Berryville, Ark., and Bentonville, and we had experience with 25,000-square-foot stores in towns of 3,000 people. People thought it was huge. But we realized that people would drive to a good concept," says Walton, who these days likes to reminisce about sweeping the street in front of that first Ben Franklin store himself and doing his own accounts for the first five stores.

With the knowledge that large discounters could attract a loyal following in small towns where small merchants couldn't compete, Walton went to the Ben Franklin chain to sell them on the idea of opening even larger discount stores with smaller margins than Walton's already successful stores.

Recalls Walton: "They didn't want to give on their

JAY HAMBURGER/BUCK STAR

end to the degree that it took for the prices to be as low as I felt they should be." Franklin was charging Walton a 20% to 25% margin on gross operating cost. "I knew that I could not sell the merchandise as cheaply as I needed to in order to be an honest-to-goodness discounter and give the value we needed to," he pronounces. Walton felt that "if they had been able to sell to me on a 12% range, I probably would not have put together the organization that we did." But as luck had it, "It didn't fit into their program. They may have been like Sears is today. They may not have been able to cut their costs to the extent that they could have sold as cheaply as we wanted to buy it."

What if Ben Franklin had risen to Walton's challenge?

"I have a feeling that if they were as successful as we have been, that their volume would have risen, but aren't I glad they didn't accept the idea, because I was forced to build our own team and program." By 1985, Ben Franklin Variety Stores had been swallowed by Pittsburgh's National Intergroup, and now grosses only \$2 billion or so.

Building that team and program took a lot of passion and hard thinking. "I have made a lifetime study of learning and observing from other companies," Walton says. "I probably have traveled and walked into more variety stores than anybody in America. I am just trying to get ideas, any kind of ideas that will help our company."

For instance, when Walton first heard of the self-service concept he still had a Ben Franklin franchise. "I heard of two stores in Minnesota that were self-service, so I took a bus to Worthington, Minn. I saw how they had done their counters and fixtures and I came back and opened the first Ben Franklin Self Service Store in the region. Most of us don't invent ideas," he states. "We take the best ideas from someone else."

And he had to find ideas that would keep Wal-Mart lean. "We didn't have any money to start with and we had to operate with a low cost structure," he says. "Cutting costs is almost a religion at Wal-Mart," asserts publisher Trollinger. "It is ingrained in the corporate culture."

For instance, when a new Wal-Mart store is built, instead of hiring local electricians or contractors to run a security cable through the store during construction, each store manager is taught to run that cable himself



"We realized people would drive to a good concept."

when the construction reaches that stage. Even details like periodic changes of store locks are performed by in-store personnel instead of calling in outside locksmiths. Of course, it helps that Wal-Mart stores are located mostly in small towns. Company trucks don't have to waste time wading through heavy traffic jams to resupply stores every day.

Then there are Wal-Mart's strict buyer-vendor relations. At most major retailers, claims the sales manager at a large drug company, there is a certain camaraderie between buyers and vendors. Not at Wal-Mart. "The buyers are professional and very tough," he insists. "There is very little chitchat. They are colder than most buyers. And there is a statement in the waiting room that spells out their policy: They are not allowed to have lunch or dinner or any kind of meal with you unless they pay for it and they cannot accept any kind of gift or gratuity."

It is a general policy that Wal-Mart does not deal with sales reps—only with the president of a company or a sales manager direct from the company. "They believe that cuts the commission a company will pay to a sales rep that carries its line," says a manufacturer of novelty items, "but in reality, even when they deal with the company, we have to pay our sales rep."

But in the end, Walton likes to humbly insist that the

JAY HAMBURGER/BLACK STAR

WAL-MART  
DISCOUNT CITY

PLEASE DO NOT LEAVE  
CHILD UNATTENDED



"I have walked into more variety stores than anybody in America."

success all goes back to the people who work for Wal-Mart. And the company is willing to listen to all ideas. Take the case of Steven Schultheis, a marketing student at the University of Florida who interned at Wal-Mart last summer.

Schultheis was working in distribution when he dreamed up a way to cut expenses. Wal-Mart's practice had been to separate items by department when filling orders from the stores. Sporting goods were packed in one box; hardware in another. Schultheis believed it was not only inefficient, but it caused other problems, like partially filled boxes, which crush more easily, and an unnecessary number of boxes. Schultheis's solution: Mix materials from different departments in one box. The plan went into effect company-wide last August and reduced the number of boxes by 10%, a \$600,000 annual savings per store.

Schultheis not only got a job at Wal-Mart the following year but he got the kind of recognition for which the company is famous. Wal-Mart established a scholarship in his name that for the next five years will go to the top retailing student at the University of Florida.

"That's a trademark of ours," Walton comments. "We are willing to change. I would just like us to continue to make changes as they need to be made, and every

day is a different situation in this retail business. That's one of the blessings that has made us what we are, what we believe in. We have been very flexible and have been looking every day for changes that need to be made, and those ideas come from a lot of different sources. These people out here are smarter and more capable than many of us recognize, and they understand our business and certainly know what the customer wants. But change, and the willingness to change, to try anything, try anyone's idea, it might not work. But it won't break the company when it doesn't."

That's why Wal-Mart has already gone heavily into the wholesale club business. Although each Sam's Wholesale Club is more than half as large again as the typical Wal-Mart outlet, it carries only a fraction as many items—3,000 versus 70,000. No-frills, cash-and-carry operations, the clubs are targeted at small businesses lacking volume purchasing power.

While margins are between 9% and 11%, the clubs turn their inventories a remarkable 16 to 18

times yearly. That's so fast, Sam's customers often have paid before Wal-Mart pays its own suppliers. This year, Sam's Clubs will gross maybe \$5 billion.

Are the clubs a sign that Wal-Mart, like K mart, Sears and Woolworth before it, is reaching the limit of how far it can stretch its original concept? Already it has experimented with crafts retailing, deep-discount drugs, and it is currently testing two European-style hypermarkets. The craft and drug operations didn't fly, but at least Walton applied certain techniques learned through them in the original Wal-Marts.

Don't be in any hurry to write Sam Walton off. He's not likely to forget the lessons from his experience with Ben Franklin. If he keeps listening to maverick employees and trying new ideas and changing, just possibly, Wal-Mart won't turn into a dinosaur. Nor has he succumbed to the temptation of keeping his a family-run business. The family does own one-third of the stock, worth \$7.2 billion, and son Robson, a lawyer, is on the board. Instead, Walton named David Glass, 51 and a former supermarket, CEO in 1988. So far he hasn't missed a beat. But then, with Sam Walton's brand of inspirational guidance so close at hand, it would be surprising if he had. ■

Research Assistant: Bryan Smith

### THE YEAR OF CAMPAIGNING CHEAPLY

Candidates aren't raising nearly as much this season. Maybe that's good

Last fall, as Democrats were lining up for the Presidential race, the conventional wisdom said that Bill Clinton, governor of the impoverished, sparsely populated state of Arkansas, would have trouble raising money. Charismatic Senator Bob Kerrey of Nebraska would easily tap Hollywood's mother lode, giving him a headstart in the race. Labor-backed Senator Tom Harkin of Iowa would be bankrolled by unions. And President Bush would have so much fund-raising power that no Republican would dare challenge him.

So much for conventional wisdom. By the end of 1991, Clinton had raised \$3.3 million, including an astounding \$1.5 million in Arkansas alone, according to new data filed with the Federal Election Commission (FEC). In January, despite allegations of marital infidelity that nearly derailed his candidacy, the Clinton campaign pulled in an additional \$1.6 million. Meanwhile, Kerrey's charisma seemed to shrivel in the New Hampshire cold. Through the end of January, he had raised only \$2.9 million. Of that, a substantial \$400,000 came from entertainment-industry moguls, but Clinton is running neck-and-neck with Kerrey in the Southern California money race.

**GRASS ROOTS.** Harkin, meanwhile, has pulled in \$180,000 from organized labor—a respectable but not awe-inspiring sum. Harkin's total for 1991 is \$2.2 million, not including January figures, which the candidate won't release. A large portion of his money comes from political action committees—\$115,000 at yearend—and from "low-dollar activists," according to a spokeswoman. Harkin's average direct-mail contribution from individuals is \$38. Harkin has done well among Florida's Jewish community and in Iowa, his home state. Aides to Jerry Brown say he had raised about \$500,000 by Dec. 31, but names of con-

tributors were not available at the FEC.

The power of incumbency has allowed President Bush to collect \$10 million, more than all his rivals put together. But his grip on GOP purse strings hasn't kept right-wing commentator Patrick J. Buchanan from mounting a spirited challenge in the New Hampshire primary on Feb. 18. Buchanan used direct mail to raise \$707,000 through Dec. 31.

Candidates don't need huge war chests to compete in New Hampshire. Former Massachusetts Senator Paul E. Tsongas had raised just over \$1 million as of yearend and is struggling to pay the rent on his campaign headquarters. But he's running only a few points behind Clinton in the

at leveraging his early money. Arkansas supporters, including executives of such home-state companies as Tyson Foods, Wal-Mart Stores, broker Stephens Inc., and nursing-home chain Beverly Enterprises, came through with contributions soon after Clinton announced his candidacy in October. Wal-Mart founder Sam M. Walton and 14 other members of his clan gave \$12,000.

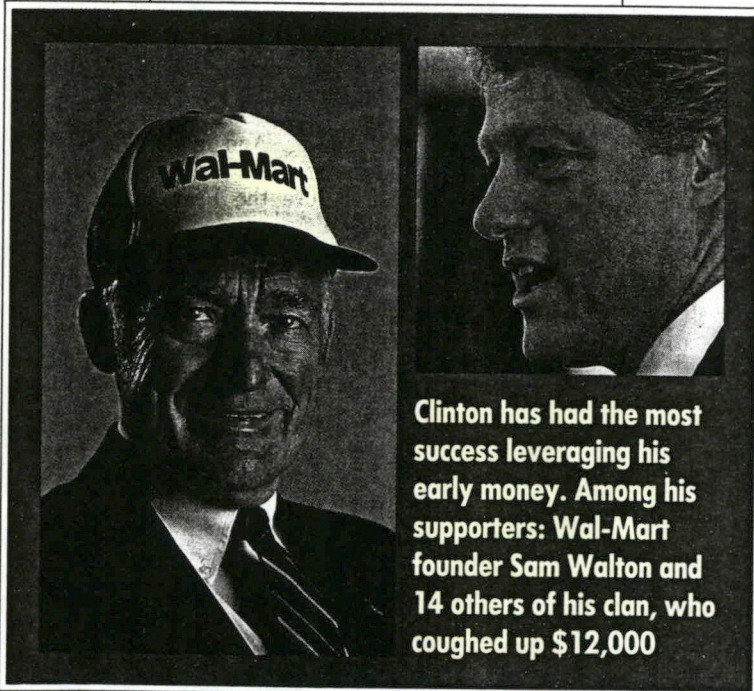
**UNSUNG HERO.** Although individual contributions are limited to \$1,000, Clinton took in no less than \$900,000 from a single December event at Little Rock's Excelsior Hotel. Publicly, Clinton's treasurer, Robert A. Farmer, gets most of the credit for these successes, though until recently he was on leave from the campaign. But campaign sources say the unsung hero is Rahm I. Emanuel, 32; a Chicago native who raised funds for Mayor Richard M. Daley and for Midwestern congressional Democrats. Emanuel tapped into Wall Street's largess with the help of Goldman, Sachs & Co. partner Kenneth D. Brody, whose Dec. 10 party for Clinton attracted dozens of investment bankers, brokers, lawyers—and \$287,000 in contributions.

Kerrey has reached his share of luminaries. The list includes retired IBM Chairman Thomas J. Watson Jr., author Thomas J. Peters, Playboy Enterprises President Christie A. Hefner, U.S. West President Richard D. McCormick, Amerada Hess President Leon Hess, and Enron Chairman Kenneth L. Lay. Kerrey's Hollywood backers include producer Norman Lear, director Lawrence Kasdan, and agent Michael Ovitz. Actor Robert Redford, though, is playing hard to get. So far, only Harkin has gotten a check with that famous autograph. Other Democrats would love an endorsement from Redford, whose decisions influence many liberal activists.

In all, the top seven candidates have raised just under \$20 million. At this point four years ago, 13 candidates had raised \$102 million. The drop-off is a result of the late-starting campaign, the small field of candidates, and the recession.

Maybe that's healthy. Amid early signs that voters are paying more attention to candidates' messages than to slick, 30-second TV spots, tight money just might produce a campaign that's more than sound bites and fury.

*By Paula Dwyer in Washington*



**Clinton has had the most success leveraging his early money. Among his supporters: Wal-Mart founder Sam Walton and 14 others of his clan, who coughed up \$12,000**

polls. Tsongas raised a further \$250,000 in the past 10 days, and he may find fund-raising easier if he wins or places in New Hampshire.

As always in politics, early money can lead to front-runner status, which further opens the cash spigot. Such funds will become vitally important in the three weeks following New Hampshire, when 23 other states hold primaries or caucuses.

Clinton has been especially successful

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The Boston Globe

February 16, 1992, Sunday, City Edition

SECTION: ECONOMY; Pg. 85

LENGTH: 1485 words

HEADLINE: WINNING THE WALL STREET VOTE; The Democrats are making inroads in the world of high finance

BYLINE: By Jolie Solomon, Globe Staff

DATELINE: NEW YORK

KEYWORD: FINANCE DEMOCRATIC PARTY CAMPAIGN

BODY: Last Tuesday night, at the Regency Hotel on Park Avenue, some of Wall Street's finest - dealmakers, bankers, tax lawyers - paid \$ 1,000 a head to toast the candidate of their choice.

George Bush? No. Bob Kerrey.

And Kerrey isn't the only Democrat this year to enjoy the largesse of the canyons of capitalism. Last Monday, Gov. Bill Clinton collected \$ 700,000 from Wall Streeters and business lawyers in a fund-raiser at the newly renovated Sheraton New York. And next month, at Harry's Hanover Square Bar - the ultimate Wall Street watering hole, and one owned by a lifelong Republican - hundreds of money men and women are expected to raise glasses, and dollars, for Paul Tsongas.

As voters in New Hampshire prepare for Tuesday's primary vote, Wall Street is beginning to hedge its bets for November. And in an election that has more to do with economics than any contest in recent memory, the New York financial community is showing an unusual degree of interest in the Democrats.

Of course, the Republican National Committee isn't exactly chewing its nails over this development. Wall Street, one of the biggest sources of campaign money in the country, is and likely will remain largely Republican turf.

As long as Democrats talk so much about " 'Let's tax the millionaires,' business people aren't going to vote for the Democrats," declares Robert Stovall, president of

Stovall/Twenty-First Century Advisers, an investment management firm. He says he's putting his own expansion plans on hold because of worries about Democratic tax policies.

Helping Bush are some of the biggest guns in the money business, including Sam Walton, head of WalMart, and Henry Kravis, the buyout king of Kohlberg Kravis Roberts.

On Wall Street, jokes Joseph Fichera, a Democrat who's a senior principal in a major investment house, "Not being a Republican is like not knowing how to play golf. You're a little bit out of the mainstream."

But like any cliché, the Wall Street/Republican equation is somewhat exaggerated. The Street has always had its share of Democrats - more of them, in fact, than the more conservative, nuts and bolts business world of Main Street America.

Goldman Sachs chairman Robert Rubin was among the most prominent fund-raisers for the Dukakis campaign; this year some top Goldman partners are fund-raising for Clinton.

Warren Buffett, the investor and chairman of Salomon Bros., is an old friend of Kerrey's. Kerrey has also been collecting support from George Soros, a Wall Streeter who ranks 56th on the Forbes list of billionaires, and from Paul Volcker, former Reagan Federal Reserve Board chairman.

Still, a "cross-over" vote on Wall Street in the 1980s almost always meant a Democrat who had crossed over to vote for Reagan and Bush. This year, "cross-overs" will include Republicans.

"Quite a lot of money has been coming from people who in prior years were Republican," says Ross. "We've gotten some crossover, and the Clinton people have as well." Jim Armenakis, a lawyer and Tsongas fund-raiser, says that about 25 percent of the calls he gets are from Republicans who say "I've never voted for a Democrat in my life." Some New York fund-raisers close to the action say they increasingly find both Democrats and Republicans in business linking the nation's economy and its competitiveness to such traditionally Democratic issues such as health care and education. And some do not feel Bush has taken these issues seriously enough.

Among such new recruits is lawyer Richard Farren of the firm McLaughlin & Stern Ballen and Ballen.

Traditionally a local Republican fund-raiser, he yearns for a capital gains tax cut, and happily voted for Reagan and Bush in the last three elections. But "At this point," says Farren, "I'd almost support any Democrat over George Bush." He recently wrote a \$ 1,000 check for Paul Tsongas. Farren says it is the recession's grip on his own and his friends' lives that has made the difference in his views. His income has shrunk 50 percent

since 1988, he says, and among the "horror stories" he knows is that of a Harvard Law School classmate who recently found himself without the \$ 150 in cash he needed to file for personal bankruptcy.

This has made Farren rethink his old articles of faith, such as a flat tax rate. "Why didn't we have homeless people in the 1950s and '60s?" he asks. He now believes marginal tax brackets of 60 percent to 90 percent for rich people actually helped the society and economy, rather than hurt it.

Some Republicans, on the other hand, say they are veering away because Bush hasn't pushed traditional Republican principles strongly enough.

Stephen Paluszek, who trades and analyzes bank stocks for M.A. Schapiro & Co., says he becomes more conservative each year. What burns him up is Bush's failure to shrink the budget deficit, and his broken promise of "no new taxes." When Bush blames such problems on Congress, says Paluszek, "I don't buy it. He's the ultimate leader." Paluszek is helping to organize the Harry's Bar event for Tsongas, who he sees as "an exception" to the usual run of Democrats.

Regardless of how much money the Democrats may raise on Wall Street, however, most traditional Wall Street Republicans are not about to forget the glory days of the 1980s. The market has jumped an average of 18 percent a year since Ronald Reagan took office in 1980. Partly as a result, Bush found it easy to raise \$ 2.2 million at a single luncheon last November in Manhattan, says one of his campaign officials. No Democrat will be able to match that, admits Wilbur Ross, an investment banker at Rothschild Inc. and a Kerrey fund-raiser.

But other Republicans say that the contrast between the glory of the '80s and the uncertainty of the present does not show Bush to advantage.

In the 1980s, says Republican Cynthia Strauss, "things were easy and good for us, and we rode with it." In the last two years, says Strauss, a merchant banker with UI USA, the US merchant bank division of Credit Agricole, she has seen the frustration with the economy in her work. Business people come to her firm for financing when they should be able to get cash from American banks, she says.

"And they say they want a financial institution they can 'depend on,' " she says. She's disgusted with the mismanagement of economic policy that has led to the banking crisis, among other things. "As a business person, you judge people on results."

Strauss says she would rather work for a Republican. On principle, she's against such things as national health care.

But, she says, "There's not much room for hope (in the party). This year it's 'time to back our man, not question our man'." She feels she can make more of a difference through the Democrats.

For longtime Wall Street Democrats, no compromise with principle is necessary. "I don't see the contradiction" between business interests and Democratic ideas, such as higher taxes on the rich, says Fichera, the investment banker. "You've got more (income), you give more," he believes. Nor does he worry about social policies that "intervene" with the free market. "That's what a society is all about. Helping those less fortunate."

Fichera traces his own success back to student loans and other social programs that helped him as a working-class Italian kid.

To some extent, Republicans are driven into the arms of Democrats by social issues, such as abortion. "Every woman I know who's a Republican says they can't vote for Bush," says Strauss.

But the split between "social" and other issues seems obsolete to many. Strauss is frustrated that her work with inner-city kids is being stymied lately by cutbacks at the public schools. And she feels that the issues of education or parental leave directly affect US competitiveness abroad.

At the same time, says Rothschild's Ross, the end of the Cold War has loosened up the conventions of political dialogue. "If you were opposed to the government policy" in the past, "you got wrapped up in the antipatriotism (issue). That's no longer the case. Now you can really talk more about what makes practical sense."

Of course, "practical sense" also means supporting the most useful candidate. When Bush seemed invincible, there was less enthusiasm for the Democrats. And some are interested only in an "electable" Democrat.

In the end, "Corporations are going to cover their bets," says Strauss, who believes that some of the Wall Street money the Democrats are getting is designed strictly to secure favor in case a Democrat wins.

Stovall, the investment management firm president, agrees. Overall, he says, Wall Street still feels more comfortable with the GOP. After all, it's the party more likely to support capital gains tax cuts and other policies dear to the hearts of financiers.

"What money I know of," Stovall says, "is going to Bush more than anybody else."

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The Boston Globe

February 11, 1992, Tuesday, City Edition

SECTION: LIVING; Pg. 54

LENGTH: 747 words

HEADLINE: Is it the thought that counts? Names and Faces

BYLINE: By Michael Blowen, Globe Staff

BODY: Well-known culture vulture vice-president J. Danforth Quayle recently invited a prominent American to join the Executive Committee of the Republican Senatorial Inner Circle, which already includes such luminaries as George Shultz, Sam Walton and Arnold Schwarzenegger. The nomination was suggested by New York Sen. Alphonse D'Amato and the letter, postmarked Jan. 31, 1992, included a personal invitation to attend a spring briefing with President George Bush on March 11 and 12. There's just one problem. The nominee was the legendary composer-conductor Leonard Bernstein who died on Oct. 14, 1990 - some 474 days before the letter was sent. And we thought Spiro Agnew was tough.

Too close for comfort

The pseudonymous Esquire columnist Stanley Bing has a new book with the oxymoronic title "Crazy Bosses." "I just tossed it off over the last five years," said Bing, from his New York office where he was trying to talk without his boss overhearing the conversation. This horribly funny book makes the perfect anonymous gift for any boss' birthday.

A wild ride

An engineer whose lower body was paralyzed in a car crash 10 years ago took a bungee-jumping plunge while strapped into his wheelchair near Albuquerque, N.M. As onlookers cheered him on, Brian Van Leeuwen wheeled his chair backwards to the edge of a 150-foot platform, then rolled off, attached to an elastic cord. He was held in the wheelchair by straps and duct tape. "The wheelchair is part of me," he said. "I'd rather be able to push off the platform by myself than have them push me off." Van Leeuwen, 28, said he decided to try bungee-jumping after reading about it.

Goldwater weds again

Former Sen. Barry Goldwater made a second trip down the aisle at age 83. The one-time Republican presidential candidate exchanged vows Sunday with Susan Shaffer Wechsler, 51. Goldwater's first wife, Peggy, died in 1986. "He was happily married for most of his life, and this is a significant act for him," his new wife said before the private ceremony at her home. The couple will take a honeymoon cruise to Asia aboard the Queen Elizabeth II. His wife is branch manager for a home health-care agency. She said she met her husband two years ago through her job. "But he wasn't a patient," she said. "He wasn't sick enough to meet the criteria."

#### A nod to poetry

For the first time in 56 years, the Book-of-the-Month Club is offering a volume of poetry as a main selection. The streak-breaker is "Six American Poets," a new anthology of verse by Walt Whitman, Emily Dickinson, Wallace Stevens, Langston Hughes, William Carlos Williams and Robert Frost. Book-of-the-Month Club editor-in-chief Brigitte Weeks said the move was made after several books of poems were offered as alternate selections the last few years and the response was "wonderful. Poetry lovers have been buying poetry books."

#### Political picks

Favorite movies of the Democratic presidential candidates?

- Bill Clinton: "Send Me No Flowers"
- Paul Tsongas: "The Swimmer"
- Jerry Brown: "I Aim at the Stars"
- Tom Harkin: "Field of Dreams"
- Bob Kerrey: "An Officer and a Gentleman"

#### Role call

Want your kid to be an orphan for a while? The Quincy Community Theater is holding auditions for their May production of "Annie" tomorrow and Thursday at the Woodward School in Quincy. They need 13 girl orphans, including Annie, in addition to 16 adult positions. Girls 9-16 are invited between 7 to 8 p.m. and adults from 8 to 10 p.m.

#### A running gag

Vaughn Meader, who became a national comedy star by mimicking President John F. Kennedy 30 years ago, is imitating comedian Pat Paulsen these days with a tongue-in-cheek campaign for president.

Meador, who has been making a living by playing honky-tonk music in small Maine towns, hints his effort to jump back into the limelight shouldn't be taken too seriously. He told a small crowd at a bar in Hallowell Sunday night that his campaign could resurrect his career as a political comic. "The First Family," a record album on which Meador mimicked JFK's accent, sold 5 million copies before Kennedy's assassination on Nov. 22, 1963, abruptly ended the act. "If it fails," he said, "I can always say I wasn't too serious."

#### Clowning around on the court

Salomon Brothers chairman Warren Buffett is known for his shrewd investments, but he didn't invest enough in his tennis game. The billionaire investor and nine-time Wimbledon champion Martina Navratilova lost a celebrity tennis doubles match Sunday to Pam Shriver and former Dallas Cowboys quarterback Danny White in Omaha. Buffett apparently forgot his planned strategy to let the tennis pro call the shots. He whacked Navratilova on the shoulder at midcourt while trying to play the second point in the first game. The teams tied at two sets before an all-or-nothing tie-breaker, which gave the match to White and Shriver. In between games, Navratilova crossed the net to give White a cane in honor of his 40th birthday.

#### U2 revs up for tour

Irish rockers U2 have just confirmed their American tour, which includes dates at the Worcester Centrum March 13, Providence Civic Center March 15 and the Boston Garden March 17. Entitled the "Zoo TV" tour, it also features Boston's Pixies as opening act on all 32 dates. The tour will be presented in association with MTV and start Feb. 29 in Lakeland, Fla. As for tickets to the New England shows, there's still no word, though the group hints the tickets may be sold by telephone only to thwart scalpers.

GRAPHIC: PHOTO, 1. Leonard Bernstein 2. Vaughn Meador

THE WHITE HOUSE  
WASHINGTON

Date: 12-13-91

TO: *David Damaret*

FROM: ANDY CARD *Andy*

- Action
- Your Comment
- Let's Talk
- FYI

*for you Arkansas  
f. Le*

THE WHITE HOUSE  
WASHINGTON

**DATE:** 12/11/91

**TO:** Andy Card

**FROM: J. FRENCH HILL**  
**Special Assistant to the President and**  
**Executive Secretary to the**  
**Economic Policy Council**  
**Room 228, OEOB, x7968**

FYI

# If Bush stops in for a visit, here's what he should know

WASHINGTON — Dear Mr. President:

Today, the people of Arkansas — and some of us who are former residents — would like to tell you a little bit about ourselves.

The word right now is that you may or may not swing through the state before Christmas. Since you haven't been here since the 1988 presidential campaign, when you flew into Little Rock, made a speech, scooped up some cash at a fund-raiser and flew the heck out of town a short time later, we think a short primer might be in order.

Arkansas (pronounced AR-kan-saw, not Ar-KAN-suhs), sits between Missouri and Louisiana in an area known as the *South* (also known as *The Place That Destroys Democratic Presidential Nominees Again and Again*). It is near *Texas* (pronounced WAIST-land), which is your sort-of home whenever you're running a few votes short of what you want.

Our chief industries are agriculture, manufacturing, mining, forestry, tourism and ambitious politicians.

One of those ambitious politicians, of course, wants your job right now. He is fond of pointing out that you have spent more time in, say, Zurich than you have in many parts of the United States.

You may not have heard about his message yet, just like almost everyone else in the country, because ambition is one thing and getting attention is another.

On the other hand, if you do manage to drop by the state for a few minutes in upcoming weeks, we suspect our ambitious politician — he's our governor in his spare time — may be to thank. It's nice to know he's still having some impact on the people of his home state.

We've got a little unemployment problem, and an occa-

Letter from  
Washington



By Randy Lilleston

sional civil rights problem, but we're also fairly religious. In that spirit, we welcomed your recent conversions on civil rights legislation and the extension of unemployment benefits.

We recognize high-speed turnabouts when we see them, and we usually give the credit to God for causing such seemingly inexplicable fits of conscience in a mere mortal.

But no matter. It's always nice to see a visitor. We're sure you'll be happy to meet with the state's Republicans of note, all 10 or 12 of them, knowing that most of the Democrats here will vote for you anyway — unless God intercedes again and makes our governor the Democratic nominee. Some of us think divine intervention might be what it takes.

If you drop by, we're sure you'll talk about the wonderful things you've done for the people of Arkansas, particularly in the area of tax policy, since our governor has been moving some taxes up while you've moved some of them down.

You'll probably be safely on the plane before some people realize these two facts are related — that most states increased income and other taxes throughout the 1980s to cover federal mandates that came without federal funding. Why was there no funding? Because there was no money. Why was there no money? Because taxes went down.

But that's an argument that takes time to explain, meaning most people will just ignore it. So don't worry.

Have a nice time in Arkansas, if you manage to get there for a visit. Some of us who are stranded here in Washington miss it a little bit. Say hi to the folks for us, and if you could, run by Sim's and pick up some barbecue to go. You won't be disappointed.

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## HOW SAM WALTON DOES IT

On the Road  
With America's  
No. 1 Merchant  
by John Huey



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# AMERICA'S MOST SUCCESSFUL MERCHANT

Having built a retailing colossus, Sam Walton can now do what he likes. That's why he's out there every day making sure they still do it the Wal-Mart way. ■ by John Huey

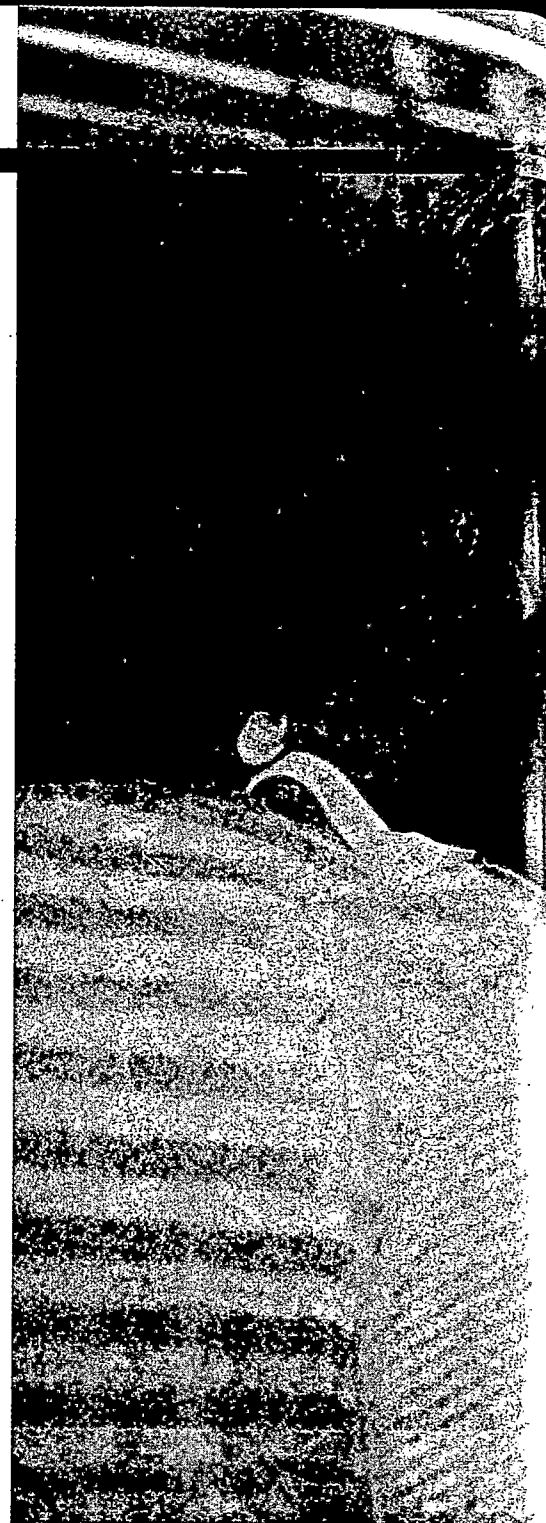


**I**N HIS ENTIRE LIFE, Sam Walton—youngest Eagle Scout in Missouri, state champion high school quarterback, student council president, fierce tennis competitor, Army officer, small-town five-and-dime merchant, and founder and chairman of America's biggest retailer—has probably failed miserably at only one thing he ever attempted: retirement. He tried it a few years back, leaving Wal-Mart to be run by highly paid professional managers, but it just didn't take. Which is why he's up here today behind the stick of his twin-prop Cessna, dodging thunderheads in search of that little strip of asphalt they call the air-

REPORTER ASSOCIATE Sally Solo

port somewhere down below in Holly Springs, Mississippi. Having accumulated all the wealth and achievement anybody could ever need in one lifetime, Sam Walton is now in a position to do exactly what he wants. So we are doing the thing he loves best in life—even more than quail hunting, to which he devotes about four months of each year: We are barnstorming the heartland, visiting Wal-Mart stores at a pace that leaves younger, healthier men panting when they reach whatever inevitable Holiday Inn happens to be closest to the last store visit of the day.

The plane pops out of a cloud, and Sam spots the airstrip. He grabs the levers to adjust the throttles and fuel mix as we swoop groundward. "We never could've put all this together without these airplanes," he says over the roar, proudly noting that he bought this particular plane secondhand from some bankrupt investment banker. "Plus, I really, really enjoy the flying. I like the challenge. But mostly I like the independence of being able to go where I want to when I want to—in a hurry." His landing is matter-of-fact and perfect. He taxis over to the little shed where several Wal-Mart "associates" await



"Ladies, are they treatin' you right? Do they look you in

his arrival—having received word about 45 minutes ago that he was on the way from the last store he visited. One woman in the greeting party loses her composure when she sees that Sam really *is* here. Her jaw drops as if to catch flies, and by way of greeting the chairman when he steps off the plane, she says over and over, "We're just dumbfounded. We're just dumbfounded."

Part of this reaction is because it has been about a decade now since Sam Walton could honestly make one of his favorite boasts:



the eye and ask if they can help?" Sam inquires, as he always does when touring stores, of two Wal-Mart shoppers in Blytheville, Arkansas.

that he personally visits every Wal-Mart store at least once a year. The creation has simply outgrown the creator; nobody could visit 1,650 stores plus 200 Sam's Clubs and still get around to the 150 or so store openings Wal-Mart holds every year. "Right now there are probably about 30 stores I've never been to and a bunch of others I haven't seen in more than a little while," he says. "I've got to get to 'em soon. I'm going to our first store opening in New Hampshire next week, and on the way I'm going to hit

a store I've never been to up in Toledo." Sam's appearance out here on the road inevitably provokes dropped jaws, double takes, and downright embarrassing behavior for other reasons as well. First, there's that "richest man in America" label, which Sam truly hates and sincerely wishes for all the world had been awarded in perpetuity to some jackass who really wants it. "All that hullabaloo about somebody's net worth is just stupid," he says, "and it's made my life a lot more complex and difficult." Because

he's done everything he can to avoid personal publicity and media attention over the years, he's taken on a bit of the aura of a Howard Hughes—recluse billionaire, which is silly when you consider that all you have to do to meet the man is go hang around the lunch counter at any Wal-Mart, and sooner or later he'll show up. If you're lucky, he might autograph your dollar bill (he hates this but usually does it anyway) or let you snap a picture of him and your baby with the Kodak Disc camera you just bought from

## SELLING

Wal-Mart. Or he might steer you to a particularly good bargain on some item that he personally suggested Wal-Mart buy a bunch of and promote—like a 13½-ounce bag of Brach's chocolate peanut clusters for \$1.50.

Another cause for all the stir is that a lot of people don't really believe the Sam Walton story. Cynics think he must be some sort of elaborate public relations fabrication, while the real man actually hangs out at Lutèce with his billionaire buddies and jets around the country in the pampered care of liveried retainers, peddling cotton socks to the suckers and laughing all the way to the Swiss banks. So sometimes the guy pumping gas at the Branson, Missouri, airport, or the woman working the night desk at the Batesville, Arkansas, Ramada can be forgiven for rattling a little bit when this slight, white-haired old man appears in front of them wearing a baseball cap and his magnetic Chuck Yeager "right stuff" smile. "Hi there," he says. "Sam Walton. Could you gas my plane up while we're in town?" or "Could you sell us a couple of rooms for the night?" Like everything else about Wal-Mart, the overhead on these barnstorms is at the bone; there is no entourage—no back-up pilot, no secretary, no assistant, no limousines. On this trip he is accompanied—except for the confounded magazine writer

and photographer—by just two young buyers from Wal-Mart headquarters in Bentonville, Arkansas. They are here to fill two perfectly good free seats that will take them to where Sam thinks they ought to be anyway: out in the stores, seeing for themselves how all that stuff they buy sells in the real world, and listening to the complaints and suggestions of Sam's favorite folks—the hourly-wage Wal-Mart associates who stock the shelves and wait on the customers.

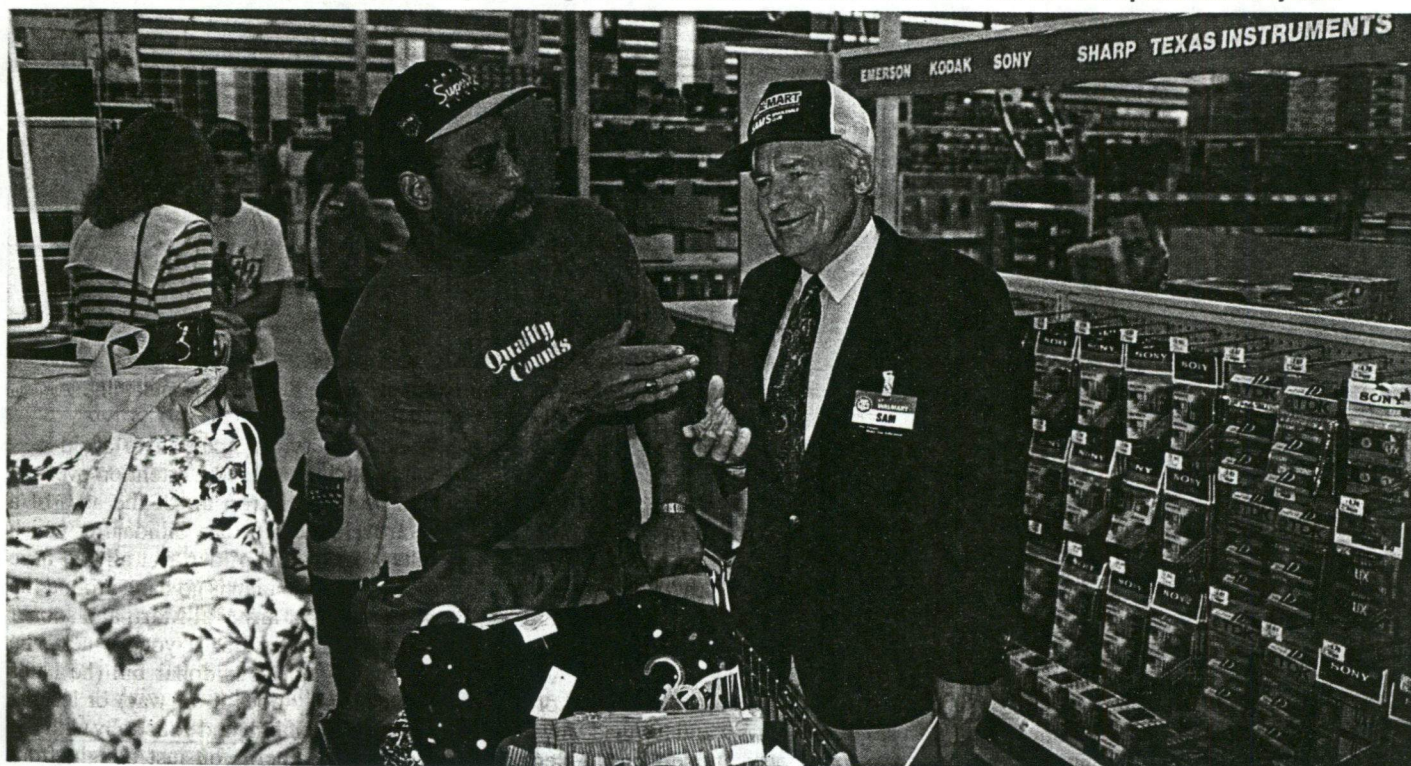
**F**INALLY there is the very real issue of Sam's mortality. A lot of folks are surprised to see him out here looking hale and hearty these days because they assumed he was on his deathbed. Now 73 and fighting a bone cancer diagnosed as incurable, Sam Walton surely knows that he is in the twilight of his career, that he can't do this forever. If so, he never lets on. He has, he admits, considered his own mortality and decided a couple of things. First, if he had it to do all over again, he wouldn't change a thing. Second, in whatever time he's got left, he is not about to kick back, congratulate himself, and let some sly devil like that Dayton Hudson discount chain, Target, sneak up behind him. No, Sam is going to do it

exactly the way he's always done it. And though he never likes to take personal credit for anything, he is willing to admit to being a "pretty fair merchant" who can still help teach some of his less experienced associates a few tricks of the trade.

He will not, however, have any eulogizing before he's gone, and he certainly will not let on to any of his 345,000 Wal-Mart associates that it is harder for him these days, that the bone pain is tough and sometimes discouraging. But cancer has stalked aplenty through the lives of the Wal-Mart associates, and they know; you can see in the eyes of some of the older ones that they think this may be the last time they see their chairman and hero. So when he visits, they hug and squeeze him a lot, and when he walks out the door, more than a few pull out their hankies and dab at the corners of their eyes. This is then, in a sense, the unannounced, indefinitely running farewell tour of Sam Walton, America's undisputed merchant king of the late 20th century.

The real story of how Sam opened his first Wal-Mart store at age 44 and from there built America's largest retailer, pushing \$40 billion in annual sales, is, as you would expect, multifaceted. It comprises 29 straight years of good business judgment, and while the cheerleading Sam Walton as

Sam with former associate Elroy Brown, persuading him to sing his Wal-Mart version of "Hard to Be Humble" over the store's public address system.



seen on tour is the one who led the way, he wasn't the only Sam Walton involved. There is the gutsy Sam Walton who borrowed up to his eyeballs from most every bank in Arkansas, sometimes just to pay back other banks. Today that Sam Walton owns a few of his own Arkansas banks, and his company recently borrowed \$1 billion for real estate development with hardly any notice. There is the shrewd Sam Walton who for many years prowled the New York and Chicago markets buying merchandise for his stores; that Sam can't understand how Wal-Mart can possibly need all of the 165 buyers it employs today. That same Sam Walton couldn't get any of the big distributors to call on him at his remote lair in Bentonville—pretty near the geographic center of the lower 48—so he plotted a growth strategy of concentric circles emanating from Bentonville, and as the circles grew he supplied them with his own huge distribution centers and truck fleet (now one of the largest over-the-road fleets in America).

**T**HEN there is the frustrated Sam Walton who, in the early going, tried to borrow several million dollars from the big insurance companies but was rejected and forced instead to sell stock to the public. That Sam Walton, of course, became fabulously wealthy off the stock (Walton family holdings today are valued at \$21.1 billion). And there is the executive Sam Walton who, to maintain control of his company's explosive growth, hired heavyweight managers and, in his own torturous way, let them persuade him to invest heavily in such overhead as leading-edge computer equipment. This executive Sam still gets up every Saturday around 3 A.M. to pore over up-to-the-minute weekly sales printouts spewed out by those computers, looking for opportunities or trouble spots. Sam the executive not only has hired top talent but has bid farewell to more than a few senior managers who perhaps grew weary of the self-sacrificing lifestyle demanded by the Wal-Mart way, or who maybe forgot for a moment who's really in charge.

There is also Sam Walton the motivational genius, who understood that all his cheer-leading and backslapping and sloganeering would go only so far with the folks who stand on their feet all day in the piece goods department and go home at night to a hungry husband and three kids. That Sam gave everybody a piece of the action.

Through profit sharing, incentive bonuses, and stock purchase plans, the folks who handle the goods and the customers have a direct stake in doing it the Wal-Mart way. And finally, there is the ruthless, predatory Sam, who stalks competitors—in any size, shape, or form—and finds sport in blasting them from the sky like so many quail.

Don't misunderstand. The touring Sam Walton, who rises before dawn every day and drops into stores to drink coffee with the night receiving crew, to pump up the associates, to listen to customers, and—without fail—to look over the books, isn't just some showbiz gimmick, no matter how closely he sometimes resembles P. T. Barnum. This is Sam Walton: merchant-pilot. And when it's all said and done, this is the man in whose presence Sam Walton, the man, is most comfortable. It is this Sam Walton who has done the most to create and sustain Wal-Mart's phenomenal success by injecting an almost inexplicable merchandising magic into what could have been just another chain of drab discount stores.

Says Sam: "This is still the most important thing I do, going around to the stores, and I'd rather do it than anything I know of. I know I'm helping our folks when I get out to the stores. I learn a lot about who's doing good things in the office, and I also see things that need fixing, and I help fix them. Any good management person in retail has got to do what I do in order to keep his finger on what's going on. You've got to have the right chemistry and the right attitude on the part of the folks who deal with the customers." There is precedent for the visits. Sam still remembers being on the job as a young man at a J.C. Penney store in Des Moines when James Cash Penney himself dropped in for a visit: "He taught me how to tie a package with very little twine and very little paper and still make it look nice."

No one knows exactly how Sam decides to visit which stores when, and if there is a plan it certainly isn't written down anywhere. This morning, store No. 950 near Memphis learned that Sam was coming when he strolled up to the locked storefront around 7 A.M., pulled his constant companion—a microcassette recorder—from the breast pocket of his plaid sports jacket, and began

banging it on the window for attention. An "Oh my God" expression quickly flashed across the face of the first associate to recognize the old guy in the Wal-Mart ball cap trying to get in. Everyone, including Sam, wears a badge with first name boldly displayed, so everything is always on a first name basis.

"Good mornin', Mr. Sam, welcome to Memphis," says Doug.

"Good mornin', Doug, great to be here," says Sam. "I want to walk around a little bit, and then we'll get everybody up front. But I'd like to get all your department heads and assistant managers up here in the snack bar, and I'd like to see your P&L and your merchandising statements, and I want to see your 30-, 60-, and 90-day plans. All right?"

Then, as if he owned the place, he starts strolling around the store. "Hi, Bill, what do you do?" he says.

"Hi, Mr. Sam. I'm over in the new auto center. We really want you to come look at it. We're real proud of it."

"Are these things [new lubrication centers designed to compete with quick oil-change franchises like Jiffy Lube] going to work, Bill?"

"Yes sir, Mr. Sam. They're going to be great."

"Good, good," says Sam. Moving along toward the pharmacy, he says, "Hello, Georgie. I like this Equate Baby Oil here for \$1.54. I think that's a real winner."

"That's my VPI [volume-producing item]," says Georgie.

Sam whips out his primary tool of empowerment, his tape recorder. "I'm here in Memphis at store 950, and Georgie has done a real fine thing with this endcap display of Equate Baby Oil. I'd like to try this everywhere." Georgie blushes with pride.

A manager rushes up with an associate in tow.

"Mr. Walton, I want you to meet Renee. She runs one of the top ten pet departments in the country."

"Well, Renee, bless your heart. What percentage of the store [sales] are you doing?"

"Last year it was 3.1%," Renee says, "but this year I'm trying for 3.3%."

"Well, Renee, that's amazing," says Sam. "You know our average pet department only does about 2.4%. Keep up the great work."

*continued*

**"This is still the most important thing I do, going around to the stores, and I'd rather do it than anything I know of."**

## SELLING

Sam strolls over to a cashier's stand and picks up a speakerphone—the kind normally reserved for “I need a price check in hardware”—and with no introduction calls everyone to the front of the store.

“Northeast Memphis, you're the largest store in Memphis, and you must have the best floor-cleaning crew in America. This floor is so clean—let's sit down on it. [Everyone sits, and Sam crouches on one knee, like a coach designing a play in overtime.] I thank you. The company is so proud of you, we can't hardly stand it. On top of everything else, you went through the trauma of remodeling and still came through with 0.8% shrinkage. [Because the shrinkage, or unaccounted-for loss of inventory, is so low, everyone in the store has recently received a bonus check of several hundred dollars.] Could you use those checks? Were they helpful? Good.

“But you know, that confounded Kmart is getting better, and so is Target. So what's our challenge? Customer service, that's right. Are you thinking about doing those extra little things? Are you lookin' the customer in the eye and offering to help? You know, you're the real reason for Wal-Mart's success. If you don't care about your store and your customers, it won't work. They like the quality and they like the attitude here. They like that we save 'em money, don't they? And they say, 'Hey, something's different about Wal-Mart.'”

“I hope you all catch the spirit,” Sam tells associates opening a new Sam's Club in Illinois.



Now he asks, “How many of you own Wal-Mart stock?” Most hands go up. “Well, I hope you realize we're just getting started,” says Sam. “But we've got to continue to improve. You're up over 8% [for the year] at this store. I wonder if you can continue. We'd like to see 10%.” Then, of course, comes the traditional Wal-Mart cheer: Give me a W! Give me an A! And so on. Later, in the snack bar with the managers, Sam's trained eye stops on the spreadsheet at Department 16: lawn and garden. “Sixteen's just not as good as it ought to be,” he says. “Is there a Home Depot settin' around here somewhere?”

His tour of store 950 complete, Sam heads out for his next stop in Memphis, a Sam's Club. In the car he elaborates on one of his favorite Wal-Mart concepts, called store within a store. “What sets us apart is that we train people to be merchants,” he says. “We let them see all the numbers so they know exactly how they're doing within the store and within the company; they know their cost, their markup, their overhead, and their profit. It's a big responsibility and a big opportunity. You give a pet department to somebody like Re-

nee, and she gets at it. She learns that what's important is buying stuff four gross at a time and then selling four gross. Nobody gets anything out of just standing there going through the motions.”

With two store visits already under our belts now, it's only about 8:45, and we're at the Memphis airport. Sam pauses to dip into a little cooler for the mixture of vitamins, herbs, and grains he drinks as part of a homeopathic complement to his conventional chemotherapy treatments. And we're off to Holly Springs for that quick store visit. Then we climb back into the Cessna and fly to Savannah, Tennessee, where Sam takes a group of hourly associates—no management—to lunch at a local roadhouse.

As they dig into their pie, he digs into Wal-Mart bureaucracy. “We're gettin' just like Sears Roebuck in some ways,” he says. “We got so many back

**“We're gettin' just like Sears Roebuck in some ways. We got so many back office people workin' off the floor.”**

office people workin' off the floor, not doin' a thing to help our customers.” He glares toward the two buyers in his tow today—one from stationery, one from sporting goods—and says, “It's hard to believe we have one buyer just to buy Big Chief tablets and another just to buy tennis balls. We used to have one buyer for five departments.” At store after store, he pounds away on this theme. “I'd like to see the buyers come into the stores and sell one day a week,” he says to one store group. “That'd put their noses in it. They get these big egos and start acting like the cock o' the walk when these common salesmen tell them how great they are.” Always, in settings such as this, he asks the associates if they like their store manager or their district manager. If the answer is lukewarm, he notes it later on his tape recorder. If it's outright negative, he doesn't mind saying to them, “Don't worry, I'll kick his butt.”

**N**OW the afternoon is wearing on, and we are flying at about 15,000 feet over Arkansas, headed for Batesville, where Sam wants to visit a brand new Super Center, a big, wide-aisled Wal-Mart with the addition of a full grocery store on one end. As is the routine, we are flying on automatic pilot while Sam sifts

## SELLING

through mail and piles of spreadsheets, leaving someone else to watch the skies. Conversation is spare, and it's easy to tell he'd rather be up here alone, as he was a few weeks ago when he flew to California, visiting 26 stores in ten days along the way.

At one point, though, he looks out the window to the left and says, "That's Newport down there, where Helen and I first started out. That's where we had our first Ben Franklin store. If it had been up to me, we'd have been in St. Louis, but Helen just put her foot down and refused to live anywhere with more than 10,000 people."

**A**CTUALLY, Sam's memories of Newport, Arkansas, are somewhat bittersweet. Young Sam was the consummate small-town merchant—ironic today in light of most small-town merchants' fear and loathing of Wal-Mart—and he built the Newport store into a powerhouse operation in just a couple of years. But after five years Sam's landlord refused to renew his lease, and Sam was encouraged to sell the store to the landlord's son. In effect, Sam Walton was kicked out of Newport. He says he remained friends with the landlord and didn't harbor thoughts of anything like revenge. But after that episode, and after landing in Bentonville, Sam never again put all his eggs in one basket. He quickly spread his variety stores around from town to town. And when he opened Wal-Mart No. 18, it was in Newport. As a postscript, Sam notes that the landlord's son's Ben Franklin went out of business. Not one who looks back often, Sam quickly snaps out of this reverie and gets back to his spreadsheets.

For some reason, Sam's reception at the Batesville Super Center borders on the hysterical. Folks are honking their horns and yelling "We love you, Sam" from their cars, and the autograph hounds are particularly pesky. A drunk approaches him and wants him to go into the insurance business with him. Sam politely declines, but he is feeling good, and he obliges everybody for a while. Strolling the aisles of the food store, he notices the incredibly low prices—milk for 99 cents a gallon, bananas 19 cents

**"I do not like hearing we're the biggest retailer in the world," he tells them. "I don't want Wal-Mart going soft."**

in Conway, Arkansas, whose special place in Sam's heart is evident by the way he cuts loose with these folks. If Sam really likes somebody, he usually slaps him or her with his notebook or his yellow legal pad—hard—after they've said something, and he's hitting everybody in Conway today.



An American original pushing American-made products in the American heartland

a pound, a loaf of bread for 15 cents—and asks a manager what's going on. Kroger has responded to Wal-Mart's arrival in the grocery business with a price war, he is told. His eyes twinkle at that, and we are off to Kroger.

Here Sam inadvertently shows us how one of his magic tricks works. By simply removing his ever-present Wal-Mart baseball cap and badge, he suddenly becomes anonymous. At the same time, some of the folksiness disappears. He is just a handsome, distinguished-looking senior citizen shopping for a few items in the Kroger; no one gives him a second look. "Uh oh, look at that," he says. "Their milk is 79 cents. We've got to fix that right now." Then he buys a pound of bananas and departs. As we leave town the next morning, Wal-Mart is advertising 69-cent milk.

The next stop, on the third day of what turns out to be a four-day jaunt, is store No. 5,

"Oh boy, we've written a lot of chapters here," he says. "Lord, you folks certainly have this store standing tall. Ethel, do you remember that old store we opened here 25 years ago? It was an ugly old thing, wasn't it? Vida, how long have you been here? Twenty-four years—hmmm. Jeanette, did you ever dream you could manage a \$3 million department on your own? How much is your profit sharing now? Don't even say it out loud. Don't you feel this is a confounded miracle? It had to be a miracle."

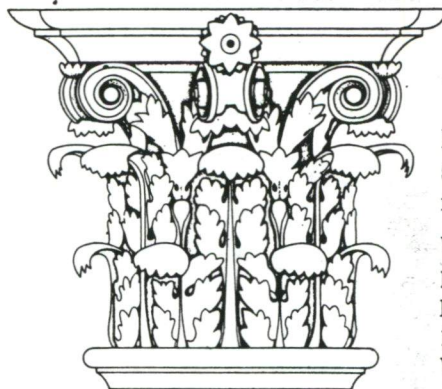
Then: "I'm proud of what we've accomplished, but I do not like hearing we're the biggest retailer in the world. I don't want Wal-Mart going soft. Do you? [In the background, country music star Garth Brooks's "Two of a Kind, Workin' on a Full House" plays softly.] I know your backs are sore, and your feet hurt, but this is one of the very best Wal-Mart stores in the U.S., and no other store's had this much fun. Has sharing the profits with you made a difference? [A deafening YES! here.] A lot of companies would have shared them with the stockholders, but as you know, we don't pay much dividend."

So this is how the tour goes, all day, every day that he can get out. It's been a long haul for Samuel Moore Walton, a lifelong achiever. As a teenager he dreamed of becoming President of the U.S. As a young college graduate just out of the Army, he aspired to an MBA from the Wharton School. But

practicality intervened, and he settled instead for a job at an Iowa J.C. Penney store on a salary of \$85 a month. From that moment on, it seems, he has been inexorably pushing the very concept of retailing to its limits, always experimenting, promoting, changing. As he says of Wal-Mart, "We're not that smart, but we do change, and we are flexible. We are able to turn our big ship around a lot quicker than most people think we should be able to, because our guys have always been so attuned to change." The result, of course, is that he—and a handful of other entrepreneurial new-age retailers such as Leslie Wexner of the Limited, Charles Lazarus of Toys "R" Us, Bernard Marcus of Home Depot, Sol Price of Price Club—has sailed the whole retail industry into previously uncharted waters and left the old industry giants sitting on the shore wondering where everybody went.

**I**F SAM hasn't enjoyed most every minute of it, he certainly has managed to create that impression, and if he is ever discouraged, only his family knows about it. In trying to define the secret of his remarkable journey to the stratosphere of commerce, several words pop up: optimism, energy, guts, charisma. But the real secret of Sam's genius may simply be focus. With his antics and his wild rhetoric and his sly sense of humor, he often gives the impression of being a bit scatterbrained. He loses pads and pencils and lists and appointments. He misplaces keys and maps and telephone numbers. But his mind, like his flying, is considerably more organized than it appears. No one in the history of business could possibly have pursued a vision with more single-minded focus than has Sam Walton, which is why—in the twilight of his life—he's still at it.

It's why he's up on stage now in front of a giant American flag at the grand opening of a Sam's in Marion, Illinois, which rather immodestly calls itself "The Hub of the Universe." It's why he'd rather be singing "I've Been Working on the Railroad" to the assembled mass of new customers, mostly coal miners, than hanging out with the rich and famous. And it's why, when he's finished leading everyone in a rousing chorus of "God Bless America" and the band has died down, he just can't help adding into the microphone: "Okay everybody, let's hear those cash registers ring." Because Sam is always focused on *that*, the sweetest song he's ever heard. **F**



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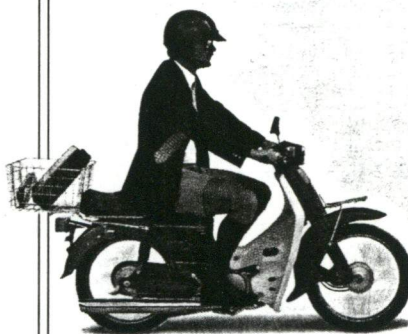
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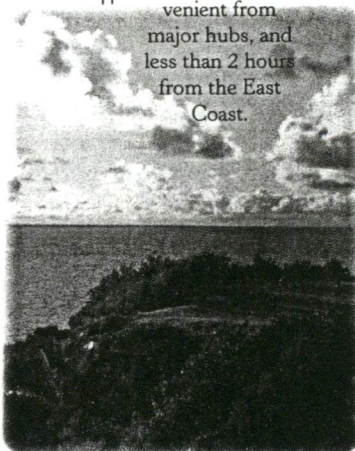
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USA TODAY

December 26, 1991, Thursday, FINAL EDITION

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HEADLINE: MAN OF THE YEAR

BYLINE: Ellen Neubarne

KEYWORD: 1991 REVIEW: SAM WALTON:WAL-MART

## BODY:

Sam Walton, whose Wal-Mart Stores rocked the retail industry with name brands at low prices, is Advertising Age's Adman of the Year. Started 29 years ago in Rogers, Ark., Wal-Mart last year passed Kmart Corp. and Sears, Roebuck & Co. to become the USA's largest retailer. Walton's empire includes 1,683 Wal-Mart stores, 198 warehouse-style Sam's Clubs and four Hypermart USA units. Past recipients of the Advertising Age honor include Michael Eisner, head of Walt Disney Co.; and Fred Turner, former head of McDonald's.

**DURABLES RISE:** Orders to U.S. factories for big-ticket durable goods rose a surprising 1.2% in November, the second consecutive gain in an economic sector that had been showing signs of weakness. The Commerce Department reported Tuesday that orders for durable goods - items that are expected to last more than three years, such as computers and cars - totaled a seasonally adjusted \$ 124.7 billion in November. It was the first back-to-back increase since April and May. Most analysts had been expecting a drop of about 1.5%.

**GAS PRICES FALL:** Christmas holiday motorists paid an average 26 cents less per gallon for gasoline than a year ago, the American Automobile Association reports. AAA's Fuel Gauge Report shows the nationwide average price of self-serve regular unleaded gasoline is \$ 1.11 per gallon this week - down a half-cent from a week ago. Pump prices averaged \$ 1.37 last Christmas.

**GAME OVER:** Video games' popularity faded this Christmas as shoppers favored traditional and lower-price toys. "Video games certainly seemed to have peaked," said Harry Pearce, president of the Toy Manufacturers of America trade group. Among the best-selling toys this holiday season: remote-controlled cars made by Hasbro and Tyco, Hasbro's Monopoly board game, Mattel's Little Miss Mermaid doll and Tyco's Magic-Copiers.

**GM PAID BONUSES:** Despite huge losses this year and last week's announcement of plans to lay off more than 70,000 workers, General Motors paid \$ 80 million in bonuses to salaried employees. The Oakland Press of Pontiac, Mich., said the automaker gave 80,000 white-collar workers bonuses of about \$ 1,000 each earlier this month. A GM spokesman wasn't available for comment.

**BATTERY INCLUDED:** The prototype Chrysler electric minivan, the TEvan, will lead the Tournament of Roses Parade on Wednesday. "Chrysler feels the minivan will broaden the market appeal of future electric vehicles, especially in southern California," says Robert Davis, head of Chrysler's electric-vehicle program.

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USA TODAY, December 26, 1991

The TEvan can travel up to 65 mph and up to 120 miles per charge.

NEWSPAPER CLOSES: The Hollywood Sun in Florida shut down Tuesday, laying off its more than 40 employees on Christmas Eve. The closure is temporary while the company does a business review, said William Pollard, executive assistant to the editor. The newspaper, owned by South Florida Newspapers Inc., apologized for the timing but said there was a severe cash-flow problem, Pollard said. The company's major shareholder was DTH Media, owner of the Dallas Times-Herald, which closed earlier this month.

GRAPHIC: PHOTO; color

CUTLINE: WALTON: Runs biggest U.S. retailer.

TYPE: Moneyline

SUBJECT: AWARD:



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People

October 24, 1991

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HEADLINE: the UNITED STATES of AMAZING;

Introducing a pelican savior, a cherry spitter, a cockroach turned beach bum and other offbeat samples of true Americana

BYLINE: TONY CHIU; with bureaus

ALABAMA

Retiring after 33 years of building railroad boxcars, Thornton Dial of Bessemer decided in 1987 to "make art" (above). The self-taught painter and sculptor, 63, has since placed two works in the permanent collection of New York City's Museum of American Folk Art and recently sold a canvas for a personal best \$90,000.

ALASKA

In July Asta Keller-Tony, 30, won the Ear Pull at the World Eskimo-Indian Olympics in Fairbanks for a record third time. In the event, competitors sit face-to-face, loop reindeer sinew around each other's ears and pull until one begs for tea and tympani. Afterward, concedes Keller-Tony, a project manager for the Alaska Native Health Board in Anchorage, her "ears are so sore, I can hardly wash my hair for a week."

ARIZONA

That heady fragrance enveloping Tombstone in late spring comes from Burton DeVere's rosebush, the largest in the world. Planted in 1885, the single white Lady Banksia root has grown to cover more than 8,000 square feet. And exactly how many buds are on it? Replies DeVere, 80: "How's millions?"

ARKANSAS

Sam Walton's down-home touch, analysts agree, has made Wal-Mart, the discount chain he founded, the nation's top retailer, with 1,573 U.S. outlets. Walton's wealth is uncommon (estimated net worth: \$21 billion), but not his taste in wheels. At 73, he still tools around his hometown of Bentonville in a '79 pickup that has logged nearly 200,000 miles.

for hunting  
Nowadays  
'88  
pickup

CALIFORNIA

The odds of a golfer making a hole in one are 12,600 to 1. Since notching her first in 1984, retired civil servant Donna Duke, 60, of Camarillo (right) has added 29 more on full-length courses -- the last two during a single March round on Maui. Her gift can be a drag when she tees it up. "The last thing I want to hear is, 'Let's see a hole in one,'" says Duke. "Then I try too hard."

COLORADO

Gay Balfour, 50, of Cortez is the proud inventor of the Mother of All Mousetraps. Designed for use on the range rodents that are the scourge of ranchers, his one-of-a-kind, 28,000-pound "Dog Gone" is a street cleaner that has been modified to vacuum prairie dogs out of their burrows with tornado-force winds. "It's better than shooting or poisoning," insists Balfour. Easy for him



1991 Time Inc., People, October 24, 1991

to say . . .

**CONNECTICUT**

Forty years ago, Dr. John Kirchner fell into the habit of saving oddments extracted by doctors at Yale-New Haven Hospital's ear, nose and throat section. "A fellow was out with his girl and began to choke," recalls the ex-department chief, 76. "Lots of people swallow bridgework. This fellow didn't have any, but I pulled two teeth out -- his girlfriend's." Other goodies: coins, peanuts, lipstick tubes and a (wrapped) razor blade. Viewing by appointment only.

**DELAWARE**

The symbol of the annual Delmarva Chicken Festival in June: Warren Mumford's skillet, a 650-pound, 10-foot-round, eight-inch-deep monster, around which two dozen cooks can deep-fry 800 chicken quarters at a time. The pan was fabricated by the Selbyville sheet-metal shop owner, 70, from durable, 11-gauge, hot-rolled steel. How durable? His first oversize skillet fried 100 tons of chicken over 38 years.

**DISTRICT OF COLUMBIA**

The most decorated person on Capitol Hill is Eni Faleomavaega, 48, American Samoa's nonvoting House delegate. Covering the skin from his stomach and lower back down to his knees is a writhing black tatau that combines bird tracks, ship markings and other ancient designs. Precious few still submit to the traditional Samoan rite of passage, a 12-day tattooing marathon that Faleomavaega likens to "open surgery without anesthesia -- I didn't think it would ever end. But if you quit, you will always be recognized as the man that never finished."

**FLORIDA**

In 1981 Dale Shields (bottom left) of Sarasota nursed a pelican back from near death -- a felicity that prompted the retired car salesman to found Pelican Man's Bird Sanctuary. Since 1985 his volunteers have rescued and rehabbed 22,000-plus shorebirds. Despite seven coronary bypasses, Shields, 64, broke ground in June to expand his avian sanctuary.

**GEORGIA**

Rudy McLaughlin, 68, and his wife, Ruth, built their dream house north of Atlanta -- a 1,700-square-foot, two-bedroom Late Medieval number, complete with stone towers, moat and drawbridge -- only to learn that planners wanted to raze it and ram through a six-lane highway. Eight months of protests by the McLaughlins lifted the siege; Georgia 140 has been rerouted, so the retired trucker's castle will remain his home.

**HAWAII**

Finding specimens to enter in the contest for most imaginatively bedecked cockroaches was easy: Susan Starrett, 41, merely had to draw back her shower curtain. Catching, killing and dressing the critters was harder. But for creating a surf's-up tableau (above), Starrett and Honolulu coroner's office colleagues Peter Saffery and Berna Riveria shared \$500 (and a one-year supply of the sponsor's roachicide).

**IDAHO**

Cascade's Ray Arnold services the longest postal route in the continental U.S. The 22 rural homes to which he delivers are strung out over 400 miles, as the crow flies. Bush pilot Arnold, 54, prefers a Cessna T206 for making his twice-weekly, four-hour rounds and, space permitting, he ferries groceries

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1991 Time Inc., People, October 24, 1991

along with the mail. On those flights, you might say, the postman also brings rice.

**ILLINOIS**

Terpsichore extraordinaire Michael Flatley (above right) has danced solo at Carnegie Hall, the Royal Albert Hall in London and toured as a step dancer with the Chieftains, the esteemed Irish folk musicians. But that's not the main claim to fame of the 32-year-old from Orland Park. Flatley also happens to tap-dance a little -- and in 1989 claimed the title of world's fastest feet when they were clocked click-clacking 28 taps per second.

**INDIANA**

Much to the chagrin of Bloomington's Harvey Phillips, 61, "people think the tuba is a silly instrument." The Indiana University music professor has worked for two decades to erase that stigma by commissioning works for his brass behemoth and staging concerts from New York City to the White House to Los Angeles. And each year, on his 80-acre farm, he throws a week-long blowout called, naturally, "Octubafest."

**IOWA**

"On a good weekend," reports Arthur Huber, 76, treasurer of the St. Anthony of Padua Chapel outside tiny Festina, "we get more than 100 visitors." That's still SRO at the world's smallest Catholic church. Sponsored back in 1885 by Huber's great-grandfather, the stone chapel measures 14 by 20 feet -- barely enough space to fit four two-person pews.

**KANSAS**

Stan Herd's art is best appreciated by those who are high -- as in feet-above-sea-level high. Instead of slapping paint on canvas, the organic muralist, 40, plants the fields around Lawrence with carefully chosen seeds and waits for rain. The resulting crops don't look very special from ground level. But from a half mile up (above left), Herd's prairie paintings, some covering 160 acres, are complex, detailed and dazzling.

**KENTUCKY**

As an Air Force staff sergeant downtiming in the beer halls of post-World War II Germany, Herb Haydock began picking up sudsabilia ranging from bottles to coasters to openers. Back stateside, the paper-mill supervisor didn't stop. In 1987 Fort Mitchell's Oldenberg Brewing Co. bought his cache of more than 1 million items (like the papier-mache brewery mascot, bottom left) to start a museum, installing Haydock, now 61, as its, er, head.

**LOUISIANA**

Just as New Orleans's Mardi Gras draws Easter revelers, Chackbay's Gumbo Festival is the October Mecca for devotees of Louisiana's trademark dish. Overseeing the preparation of the 100-pound vats of stew is volunteer fire chief Fred Mars, 47. How much cream goes in the seafood gumbo? How's the chicken-and-andouille-pork-sausage gumbo spiced? Winks Mars: "If you come down, we'll show you how to make it."

**MAINE**

In 1980 Edwin Robinson of Falmouth, rendered blind and virtually deaf by a truck crash a decade earlier, was crossing his yard during a summer storm, when lightning smote him unconscious. Though bolts kill some 100 Americans a year, Robinson (right) not only got up after 30 minutes but could also see and hear

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again. Doctors said to "just accept it as a miracle," recalls Robinson; now a spry 73, he motorbikes to his job as supermarket bagger.

#### MARYLAND

Scrap the Soloflex and chuck those cross-trainers; Kenny Strachan, 31, of Prince George's County has invented the ultimate conditioning tool -- a \$30 jump rope sold via an 800 number. Why's an everyday item so dear? His patented rope's adjustable length and weight enable hoppers to perform some 120 Jump-A-Ropic drills that several D.C.-area college basketball teams have adopted. The former accountant's goal is to one day have skip-rope accepted as an Olympic event. Loopier things have happened.

#### MASSACHUSETTS

Scissors last touched Diane Witt's hair in 1981, so small wonder that the tresses of the 5 ft.7 in. ex-model from Worcester now measure 11 ft.6 in. (below). Grooming is frankly a pain in the Rapunzel. For a simple combout, she must stand atop a stack of stools, and a wash-and-dry requires a hand from husband Bob and their two kids -- as well as four hours. One compelling reason for leaving things as is: Wouldn't trimming her four pounds of hair be shear hell?

#### MICHIGAN

The stone of a cherry that shot out of Joe Lessard Jr.'s mouth (above right) landed 53 feet, 1 1/2 inches away, winning the 18-year-old from Blenheim, Ont., the 1991 International Cherry Pit Spitting Championship in Eau Claire. He owes his talent partly to genes (dad Joe Sr. captured the crown in 1986) and partly to practice (a minor-league center fielder, Joe Jr. passes the time between pitches by ptooy-ing pits).

#### MINNESOTA

Time was, most motorists on I-90 sped past Exit 119 and the town at ramp's end, Blue Earth (pop: 3,745). In 1978 citizens voted \$43,000 to erect, in plain sight of the highway, a 55-foot-tall fiberglass Jolly Green Giant (right). Corny? Sure. But Blue Earth, host to one of the company's canneries, has the last ho-ho-ho; as its mushrooming tourism trade attests, JGG's a 24-carrot attention grabber.

#### MISSISSIPPI

In Petal, cries of "Jump, jump!" are directed not at desperadoes clinging to ledges but at players who come from three continents for matches at the International Checkers Hall of Fame. The Hall's 100-odd kingmakers include founder Charles Walker, now 55, who in 1988 took on 201 opponents simultaneously for nearly eight hours and drew 12 boards while winning the other 189.

#### MISSOURI

What does this baker's dozen -- Mikhail Baryshnikov, Dizzy Dean, Ferrante & Teicher, Katharine Hepburn, Julio Iglesias, Captain Kangaroo, Sinclair Lewis, Yehudi Menuhin, Richard Nixon, Minnie Pearl, Dr. Jonas Salk and Henny Youngman -- have in common? Their embroidered signatures grace a 63-by-88-inch Irish linen tablecloth owned by Walter Light Jr., 66, of St. Louis. The unique autograph pad, begun by Light's mother in 1929, already bears 400 names -- with room for 200 more.

#### MONTANA

In two decades of wielding his metal detector, Helena's Bud Guthrie, 52, has

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unearthed 4,000-plus gold nuggets. Pride of his collection: the 5 1/2 -pound rock -- valued at \$75,000 -- he found in 1989 while prospecting north of Phoenix. "The Museum of Natural History in New York City wanted to display it," shrugs Guthrie, "but that's too far to go for show and tell."

**NEBRASKA**

You could say Cliff Hillegass, 73, of Lincoln, reinvented the Pony Express. Since 1958, 101 million students who couldn't face their reading assignments have bought his hypercondensed, bright yellow-and-black study guides. The top three Cliffs Notes best-sellers don't lack for sex and violence: Nathaniel Hawthorne's *The Scarlet Letter* and Shakespeare's *Hamlet* and *Macbeth*.

**NEVADA**

Six years ago British-born Sylvia Renee Lyss said goodbye to lounge lizards and hello to homeless cats. After headlining Las Vegas casino productions for some two decades, the hooper, now 49, traps and feeds stray felines, then arranges neutering. Having also rescued injured dogs, birds and even turtles on her nightly rounds, Lyss says, "I'm grateful there are no dinosaurs around."

**NEW HAMPSHIRE**

Alton's Florence Holway, 76, prefers to celebrate the moments of her life not with a camera but with an artist's tools. "I keep a record in watercolor and pencil of what goes on in the family," says Holway, who at 8 began limning kin and friends -- and births, proms, weddings and parties -- in every medium from pen-and-ink to oil. Asked to count her works, which are exhibited locally, she smiles: "Hundreds and hundreds."

**NEW JERSEY**

To reach pet owners with her pro-neutering message, Bloomfield animal groomer Lee Day, 37, first needs to gain their attention. Which is why she's publicly baptized a parrot, "bark mitzvahed" a poodle named Harvey and married not only penguins at Orlando's Sea World (yes, both bride and groom wore tuxes), but also Tammy Faye Bakker's Yorkie, Corkie.

**NEW MEXICO**

As far back as 1000 B.C., Native Americans began incising the black basalt walls of a mesa west of Albuquerque with carvings. In 1985 environmental activist Ike Eastvold, now 50, began lobbying to save those petroglyphs -- in all, some 15,000 animals, masks and spiral designs -- from developers. He achieved victory last year: George Bush signed a bill that placed the primitive artwork under federal protection.

**NEW YORK**

Ex-maintenance worker Ken Elkins was manning one of the brand-new tollbooths outside Albany when the Gov. Thomas E. Dewey Thruway opened on June 24, 1954. Retiring in 1975, he immediately signed on as a part-time tollkeeper and at age 81 still puts in 20-hour weeks. "I like to deal with people," explains Elkins, who in his career has also relieved them of an estimated \$3.5 million in dimes and quarters.

**NORTH CAROLINA**

Before phones, recalls Ermon Godwin Jr., 63, his Spiveys Corner neighbors communicated via lung power: "When a man hollered, another man could hear him a mile away. They were basically saying, 'Hey, Jim, this is Joe.'" To preserve that tradition, in 1968 the retired banker founded the National Hollerin'.

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Contest (for men only; women compete in Calling). Does Godwin himself raise his voice? Only, he says, "when Mama gets after me with a rolling pin."

**NORTH DAKOTA**

Henry Luehr, 71, of Pettibone, abhors waste, so he spent four years recycling the wood from an abandoned grain elevator into an eight-story pagoda that juts an arresting 82 feet above the rolling prairie. So proud is the retired construction worker and rancher of the building's details (gleaned from back National Geographics and World Book Encyclopedias) that he proclaims, "It's not Japanese or Vietnamese but a Chinese pagoda -- look it up."

**OHIO**

Since Hamilton's founding in 1791, its illustrious daughters and sons have ranged from novelist Fannie Hurst to current Family Feud host Ray Combs. None has done more to gain his hometown celebrity than Stewart Jones. In 1986 the ad man, now 72, convinced municipal fathers to set their city apart from the 22 other identically named U.S. towns by appending an official exclamation point. Question: Doesn't Hamilton! belong in Oklahoma! ?

**OKLAHOMA**

During World War II, Boise City was the only U.S. town to be bombed. No, not by the Japanese but by a stray B-17 on a training run from Dalhart Army Air Field in Texas. Luckily the practice bombs injured no one, and now town historian Norma Gene Young, 66 (who slept through the air raid) is helping organize a golden anniversary bash: "Instead of wiping us off the map," she explains, "the bombing put us on the map."

**OREGON**

Deborah Lacayo, 33, of Cottage Grove, carves from toothpicks Dr. Ruth-size works (left) that fetch Babe Ruthian prices: \$2,500 for Wizard of Oz and Robin Hood sets containing five characters, each of which measures three-eighths of an inch. Lacayo took up surgical scalpel and dog hair (for applying paint) a decade ago while hospitalized for cancer. By comparison, her mother, a dollhouse miniaturist, comes off as something of a Log Lady.

**PENNSYLVANIA**

When Betty James saw the supple torsion spring that marine engineer husband Richard brought home, she named it Slinky. Forty-six years later, Betty, now 73, still presides over the Hollidaysburg plant that coils 65 feet of half-inch wire into one 11-ounce toy. Of the millions of Slinkys sold, one even made it off-planet; in 1985 Discovery shuttlenauts unwound with it, even absent the gravity that tugs it down stairs.

**RHODE ISLAND**

Just as coal miners used canaries to warn them of deadly gases, Jamie Williams, 29, an agricultural engineer for a watchdog group, hit upon employing common tropical plants to sense toxic chemicals dumped into Providence's sewers. When Williams's water hyacinths, rubber plants and elephant ears begin to wither, he says, "there are heavy metals in the system." Or Guns N' Roses playing a subterranean gig?

**SOUTH CAROLINA**

Button, button, Dalton Stevens of Bishopville has the button -- and then some. In 1983, "to keep from worrying my wife," the insomniacal product tester began passing the still watches of the night affixing buttons to a pair of pants.

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Therapy soon became all-consuming. Having glued 100,000 buttons on his car and 50,000 on his coffin, Stevens, 61 (below), is "working now on my hearse."

**SOUTH DAKOTA**

You might call Hill City's Bob Crisman, 42, dermatologist to the presidents. Every autumn since 1976, the National Parks Serviceman has touched up the 60-foot-high faces of the Mount Rushmore Four (Washington, Jefferson, Lincoln and Teddy Roosevelt) by dangling from a cable anchored atop the monument. This year he's taking six weeks to fill cracks in the granite with a new silicone caulking. Marvels Crisman: "It's sculpture of the grandest scale -- I can stand on a nose!"

**TENNESSEE**

Low-power TV station W10BY of Ethridge airs no bad news. "Let NBC, ABC and all them folks carry that stuff," says owner-programmer-producer-engineer-reporter-camera-person Sarah Evetts (right). Instead she fills up 24 ad-free hours a day with home videos of graduations, family reunions and church sings (and, when needed, whatever's on Channel 26 in nearby Florence, Ala.). Nor will Evetts publish a schedule: "As long as they don't know what we're gonna do," she says, "they'll sit and watch."

**TEXAS**

Before signing his first baseball contract, Nolan Ryan of Alvin (above) cagily persuaded the New York Mets to pay for college after he retired. Still pitching 26 years later -- having become only the 20th hurler to win 300 games and having set records for no-hitters (7), strikeouts (5,300-plus) and walks (2,600-plus) -- Ryan, 44, allows that "It's a little late to take them up on it."

**UTAH**

In 1985 Salt Lake City business consultant Jennie Dudley spotted a family living under a city overpass. Every Sunday morning since, she has returned to cook breakfast for the homeless. Dudley, 60, now manager of a thrift shop, and dozens of volunteers contribute the \$600 worth of victuals (85 dozen eggs, 50 pounds of sausage, 200 loaves of bread and 60 gallons of coffee) needed to feed as many as 600 beneficiaries.

**VERMONT**

Designer dung? That's what the Biruttas of Groton -- John, 43, and Gale, 39 -- process from the wastes deposited by their five llamas. (They raise the Andean ungulates to serve as pack animals for mountaineers but also sell off 2,400 pounds of ordure annually.) "It goes a long way," says Gale of the odorless, nitrogen-rich product. It must, since organic gardeners who buy "Llama Au Naturele Organic Fertilizer" in two-pound bags could, for the same \$9.95, cart home a ton of cow manure.

**VIRGINIA**

In the 45 years that Melvin Wyatt has lived at 301 E. Leigh St. in Richmond, the two-story house just off an I-64 exit has been rammed by two dozen-plus speeding cars. "I can only measure how often by all the chips out of the wall -- I know it's over 20 times," says the former truck driver, 63, who nonetheless has no plans to move. "I ain't worried about getting hurt. They have to go through brick to get to me."

**WASHINGTON**

Seattle was willing to fund a performance-art project if Alan Lande, 45, could

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hit upon the right concept. How about Quantum Leaping into yesteryear by turning off all lights for 15 minutes? No. Well then, how about having him shake hands with each city resident? Again, no. Pitch three proved the winner. Having asked Seattleites to submit 3- by 5-inch snapshots of themselves, Lande will unveil in December a 19,000-square-foot collage -- art fit for "the largest refrigerator door in America," he jokes -- that will be a 100,000-strong group portrait of the city.

#### WEST VIRGINIA

Other U.S. jockeys have ridden many more mounts than Willie Clark's 10,630, but none can match his 45 years in the saddle. Having finished in the money almost 2,500 times and survived fractures of the skull, collarbone, spine, hands, ankles and feet, the Charles Town resident finally hung up his silks in September at age 69 -- shortly after a 30-day suspension for reckless riding. "It wasn't," grumps Clark. "The riding today, it's too sissified."

#### WISCONSIN

Margaret Ludwig, 44, of Bayfield, knows fauna like Bo knows sports. The only female tracker on a University of Wisconsin-funded black-bear project, she numbers among her duties visiting caves to see which hibernating sows are pregnant. In addition Ludwig does the census of the Apostle Islands National Lake Shore. Her specialty is amphibians; this Rosie the Ribbiter can identify the mating calls of 11 frog species and is able to estimate the population of each by gauging croak decibels.

#### WYOMING

By day, David Wimp doctors the lawns of Riverton. Nights and weekends since 1982, he's been hunkered over an adding machine keying in, one by one, every number from 1 to 5,000,000 -- then carefully saving the tape as proof of his prestidigitation. Tape to date: 20 miles. Most productive day: Feb. 26, 1989 (7,070 entries). Current ETA: Christmas, 1992. Shrugs the thrice-divorced Wimp, 46: "It's a hobby."

GRAPHIC: Picture 1, A folk masterpiece from Alabama's Thornton Dial descColor reproduction: A painting by Thornton Dial, JUAN VILLAVECES-DURAN/FAY GOLD GALLERY (2); Picture 2, See above. descColor: Thornton Dial., JUAN VILLAVECES-DURAN/FAY GOLD GALLERY (2); Picture 3, A winged victory for Florida's Dale Shields descColor: A pelican holding the brim of a hat worn by Dale Shields., ISABELLA VEEGER; Picture 4, Donna Duke, California's ace of (golf) clubs. descColor., JOHN LIZVEY/OUTLINE PRESS; Picture 5, Susan Starrett created Hawaii's top cockroach. descColor: A cockroach., WAGNER INTERNATIONAL; Picture 6, Kansas's Stan Herd: Vincent Van Grow descColor: Aerial view of a field planted to look like flowers in a vase., DANIEL DANCER/SIPA; Picture 7, One of Kentuckian Herb Haydock's beer collectibles descColor: A papier-mache bulldog mascot for Hanley's Ale., HERB HAYDOCK; Picture 8, Michael Flatley, Illinois' hot hooper descColor: Michael Flatley dancing., DAVID ALLAN HARVEY/WOODFIN CAMP; Picture 9, Maine's Edwin Robinson finally saw the light descColor: Edwin Robinson with a supermarket shopping cart., GORDON CHIBROSKI; Picture 10, Massachusetts' Diane Witt, with hair apparent descColor: Diane Witt sitting, her long hair draped behind her., ROBERT H. WITT; Picture 11, Michigan's Great Expectorator, Joe Lessard Jr. descColor: Joe Lessard Jr. demonstrating his cherry pit-spitting technique., MARK SHEPHARD/THE HERALD-PALLADIUM; Picture 12, Minnesota's Green Giant descColor: A woman standing on the base of the Jolly Green Giant statue., CHRIS POLYDOROFF; Picture 13, Oregon's Deborah Lacayo: The Splendid Splinterer descColor: Deborah Lacayo holding two of her toothpick

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carvings., GERRY LEWIN; Picture 14, Dalton Stevens, South Carolina's old  
sew-and-sew descColor: Dalton Stevens, wearing a button suit and hat, displays a  
cammade, coffin and car covered with buttons., WILL MCINTYRE; Picture 15,  
Texas's Nolan Ryan: Schooled in pitching descColor., DAVID WOO/GAMMA-LIAISON;  
Picture 16, Good news only for Sarah Evetts of Tennessee descColor., STEVE LOWRY



6TH STORY of Level 1 printed in FULL format.

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January 24, 1988, Sunday, Late City Final Edition

NAME: Sam M. Walton; William Dillard

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LENGTH: 1522 words

HEADLINE: New Moves From Two Grand Old Men of Retailing

BYLINE: By ISADORE BARMASH

BODY:

THEY both started with a single store in the South. Over the years, those stores multiplied and grew into sprawling empires blanketing the region and, lately, some of the rest of the country. Now, at a time when most of their contemporaries have long since given up the game, Sam M. Walton, the 70-year-old founder and chairman of Wal-Mart Stores Inc., and William Dillard, 74, his counterpart at Dillard Department Stores Inc., are still looking for new ways to fill the cash register.

Mr. Walton, whose stores have made him perhaps the wealthiest person in the nation, recently opened the first of a new chain of outlets, called Hypermart USA. The store - a cavernous 200,000-square-foot outlet that gives roughly equal space to food and nonfood products, a European approach to retailing that is new to this country - attracted 12,000 shoppers on opening day late last month in Garland, Tex. The second Hypermart opens tomorrow in Topeka, Kan., and two more are due soon.

In all, Mr. Walton presides over 1,040 stores from his headquarters in Bentonville, Ark. Wal-Mart has suddenly become the nation's third-biggest retailer, after Sears and K Mart, with estimated sales in the year ending Jan. 31 of about \$16 billion and earnings of \$620 million. The expected results, a sharp increase over last year's, are largely attributed to the continuing fast pace of expansion.

For his part, Mr. Dillard, who is also based in Arkansas - in Little Rock - closed out the year by completing the latest in a series of acquisitions of regional chains.

This time, the chain - the 14 Higbee's department stores in northern Ohio, bought in conjunction with the Edward J. DeBartolo Corporation - was solidly in the black. Usually, Mr. Dillard buys low-profit or failing stores and turns them into moneymakers, a piece of retailing alchemy that has become his trademark. He is also known for sustaining the sales momentum of even his oldest stores. His 150 stores earned an estimated \$85 million on sales of \$2.2 billion in the year ending Jan. 31.

THE latest efforts of Mr. Walton and Mr. Dillard have kept the industry's attention on them. Earlier this month, Mr. Walton was presented with a gold



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medal at the annual convention of the National Retail Merchants Association in New York, for the most distinguished retailing performance of the year. Wal-Mart was just named one of America's 10 most admired companies in a Fortune magazine survey.

And the New York convention-goers packed an auditorium to hear Mr. Dillard give some clues to his success in mergers and acquisitions. One tip: "We look primarily for good real estate. Most things in retailing are correctible except bad real estate."

Retailers have been trying to learn from the two men for years. The lesson they have offered, while fairly straightforward, has nevertheless proved difficult for others to master: combine a passion for details with a vision for growth. In Mr. Walton's case, that meant identifying and capturing a largely untapped market, while Mr. Dillard revived moribund parts of existing markets.

"Both showed a willingness to try new things but also demonstrated planning skills beyond those of most other retailers," said Edward A. Raisbeck, senior partner of Thorndike Deland Associates, executive recruiters.

And then there are the "people skills." Mr. Walton and Mr. Dillard visit hundreds of their stores each year to rally the troops. "People respond to them and they respond to people," Mr. Raisbeck said. "It may be one of the most important reasons for their success."

Sam Walton's particular vision was to bring large discount stores to towns in the South with a population of 25,000 or less. Established discounters, virtually all based in the North, generally avoided that market, believing it would not provide adequate returns.

In the early 1960's, Mr. Walton, then a franchisee of the large Ben Franklin variety-store chain, traveled through the Midwest and East, studying such chains as K Mart, Korvettes, Caldor and Zayre. Failing to convince Ben Franklin's management of the potential for discount stores in the South, he opened one of his own in 1962 in Rogers, Ark. By 1969 he had 18. And then he really started to grow, opening as many as 200 stores in some years, including such new forms of retailing as deep-discount drug stores, warehouse club outlets and now the Hypermarts. Eventually, Mr. Walton went into bigger cities as well.

A KEY part of his strategy was to be identified "by customers and competitors as the place with good, everyday low prices" on national brands, the founder once said. To do that, Wal-Mart asked suppliers to maximize normal discounts by eliminating a host of related services and costs. As a result, Wal-Mart dispensed with rebate coupons, promotional allowances, markdown rebates and other features. The result was a lower base price and a lower markup.

At the same time, Mr. Walton kept his employees motivated with pep rallies that had the intensity of prayer meetings. And the company provided further incentives in the form of bonuses and a stock purchase plan. "Sam started out with the philosophy that everyone in the company could be a partner," said David Glass, Wal-Mart's president. "Some of our best ideas come up from the people." Rather than taking the discount-store route, Mr. Dillard concentrated on the traditional department store in small and medium-sized cities, opening his first outlet in 1938 in Nashville, Ark., with an \$8,000 stake from his parents. After 10 years, he sold the store and bought a half-interest in a

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bigger one in Texarkana, Ark. By 1960, he had enough money to buy the largest store in Tyler, Tex. Dillard now operates throughout the Sun Belt and parts of the Midwest. Just in the last year or so, the company acquired Higbee's and the 12-store Macy Midwest division in the North. It also bought the Joske's and Cain-Sloan divisions in Texas from the Allied Stores Corporation.

Dillard itself is not completely independent; a Dutch company, Vend-america B.V., holds 41 percent of the 31 million Dillard Class A shares.

While the Dillard stores have been pioneers - along with Wal-Mart - in the automation of sales information and inventory control, Mr. Dillard handles acquisitions the old-fashioned way.

'We don't use computers for that and we only use investment bankers sometimes,' he said. 'What we do use is personal observation. We talk to people and we get a gut feeling. And when we take over a business, we build it up.'

One such face lifting began two years ago when Mr. Dillard bought the Stix, Baer & Fuller chain in St. Louis, a money loser for some years. He hired more sales people, cleaned up the inventory and added a roster of important brand names. The stores are now profitable.

'We believe that if you do the right thing,' Mr. Dillard said, 'there's enough business for everyone.'

Now the question is whether there's enough business to attract Mr. Dillard and Mr. Walton to other parts of the country in a push that would make their companies truly national.

Both men have been sketchy about their plans, but at least some outsiders think the expansion is inevitable.

'Wal-Mart is a company that creates excitement not only for today but for the future,' said Walter F. Loeb, the senior retail analyst at Morgan Stanley & Company. 'As for Bill Dillard, he knows how to leverage his business and he will make more acquisitions. I think both are destined to be national companies.'

#### AT A GLANCE: Dillard's

All dollar amounts in thousands, except per share data

Three months ended

Oct. 31	1987	1986
Revenues	\$535,877	\$442,935
Net Income	14,564	13,740
Earnings per share	\$0.45	\$0.43

Year ended

Jan. 31	1987	1986
Revenues	\$1,851,423	\$1,601,357
Net income	74,458	66,903
Earnings per share	\$2.35	\$2.29

Total assets, Jan. 31, 1987

\$1,213,355

Current assets

635,768

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Current liabilities	289,131
Long-term debt	300,319

Book value per share, Jan. 31, 1987	\$17.31
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Stock price, Jan. 21, 1988	
Amex consolidated close	30 1/8
Stock price, 52-week range	57 1/2-24
Employees, Dec. 31, 1987	28,000
Headquarters	Little Rock, Ark.

## AT A GLANCE: Wal-Mart

All dollar amounts in thousands, except per share data

Three months ended

Oct. 31	1987	1986
Revenues	\$4,015,017	\$2,946,800
Net Income	136,051	95,531
Earnings per share	\$0.24	\$0.17*

Year ended

Jan. 31	1987	1986
Revenues	\$11,909,076	\$8,451,489
Net income	450,086	327,473
Earnings per share	\$1.59	\$1.16
Total assets, Jan. 31, 1987		\$4,049,092
Current assets		2,353,271
Current liabilities		1,340,291
Long-term debt		179,234

Book value per share, Jan. 31, 1987	\$3.00
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Stock price, Jan. 21, 1988	
N.Y.S.E. consolidated close	25 7/8
Stock price, 52-week range	42 7/8-20
Employees, Dec. 31, 1987	180,000
Headquarters	Bentonville, Ark.

\* Adjusted to reflect the 100 percent common stock dividend paid on July 10, 1987.

GRAPHIC: Photo of Sam Walton, Wal-Mart's founder (Supermarket News/Bob Byrd)



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People

December 19, 1983

SECTION: IN THE MONEY; Pg. 133

LENGTH: 1088 words

HEADLINE: TALK ABOUT A LOCAL BOY MAKING GOOD! SAM WALTON, THE KING OF WAL-MART, IS AMERICA'S SECOND-RICHEST MAN

BYLINE: Written by SUSAN REED, reported by JANE SANDERSON

On a crisp fall day a couple of months ago, you could have watched almost every one of the 9,300 residents of Bentonville, Ark. spill out onto Main Street for the biggest celebration in the Ozark mountain town's history. It was Sam and Helen Walton Appreciation Day. Bands, drill teams and banner-strewn floats lided through town. Portraits of Sam and Helen adorned lampposts. The Benton County Daily Democrat printed a souvenir edition proclaiming, "Our lives have been touched. At the banquet and "roast" Sam accepted a congratulatory call from President Reagan. And from the reviewing stand across from the site of his first 5 & 10, the tanned, white-haired father of Wal-Mart, those wondrous discount stores of the '70s and '80s, shyly acknowledged, "Y'all are real good. We couldn't have done it without your support and without your buying a little merchandise from that old five-and-dime."

Well, a little amplification seems called for. When Sam says "done it," what he means, in his simple way, is that he is the second-richest man in America. In September Forbes magazine assessed his net worth (with his family) at \$2.15 billion, putting him behind only oil magnate Gordon Getty, who inherited his.

And yet, as the celebration suggested, what's probably more impressive is that success apparently hasn't turned the man's head a bit. You will find no vast estates, no polo ponies or Maseratis in Sam M. Walton's neighborhood. "The money is not big stuff to him," insists Bob Bogle, a friend and 25-year employee of Walton's. In fact, "Mr. Sam," as he is known locally, is something of a folk hero to residents of Bentonville and employees of Wal-Mart (many of whom are the same). He still drives his 1980 Ford pickup and his 1976 Chevrolet Impala around town and stops frequently at the local Holiday Inn coffee shop to chat with friends. His few indulgences include a Piper Aztec prop plane, which he flies to store visits, a beloved tennis court adjacent to his glass-and-stone Bentonville house, and frequent quail hunting trips. "Sam Walton is totally devoid of pretense," says Bob Cheyne, president of Bentonville's leading ad agency. "There's absolutely no tinsel."

The story of Mr. Sam and Wal-Mart will surely go down in the annals of America's great business successes. Since 1962, when Walton opened his first Wal-Mart Discount City in Rogers, Ark., the little-known chain has blossomed to 642 stores that now dot small towns in 19 states, selling everything from ironing board covers to stereos. Wal-Mart currently is the eighth largest retailer in the U.S. (ahead of Macy's), and some say it will challenge No. 1 K mart within 10 years. As recently as 1972 there were only 64 Wal-Marts, which pulled in respectable sales of \$125 million. By last year volume had soared to \$3.4 billion.

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1983 Time Inc., People, December 19, 1983

The company's boom has benefited Walton, to say the least. In the 1982 bull market Wal-Mart Stock climbed 216 percent. Sam netted a tidy \$301 million profit, and his four grown children made \$297 million each. Together they own 42 percent of the stock.

Walton's down-to-earth approach has also served Wal-Mart well. Raised in adjacent Missouri, one of two children of a farm-mortgage broker, Thomas Walton, Sam graduated from the University of Missouri in 1940 with a major in economics. After two years with J. C. Penney and a stint in the Army, Sam, 27, used his savings and a loan to open a Ben Franklin variety store in Newport, Ark. When the young man lost his lease five years later, in 1950, he and his family moved to Bentonville, where he started Walton's 5 & 10 and began to prosper by offering quality goods at discount prices. During the 1950s Sam and his younger brother, J. L. "Bud" Walton, added 14 more stores. After a few nationwide trips to observe mass-merchandising techniques, Sam decided to go ahead with his idea for a big discount store. "I thought that larger stores could be put in smaller towns than anyone had tried before. There was a lot more business in those towns than people ever thought," Walton later explained, in what could rank as one of his richer understatements.

Now Sam is taking a variation of his operation to the big burghs. Last April he launched a fairly revolutionary division called Sam's Wholesale Club. Open only to business and individual groups, the clubs feature high-quality fashions (including Pierre Cardin and Guccio, appliances, groceries and a host of other items at reduced prices. The first clubs are operating in Oklahoma City, Kansas City, Mo. and Dallas, and business is brisk.

Much of Walton's success stems from his ability to weld strict managerial policies to old-fashioned company spirit. His weekly Saturday morning management meetings start promptly at 7:30. Walton can sometimes be heard yelling, "Give me a W! Give me an A! Give me an L!" until he gets a deafening "Wal-Mart!" from his managers. He calls his employees "associates," and his managers wear buttons proclaiming, "Our people make the difference."

Walton practices when he preaches. He makes regular "grass roots" visits to his salespeople; half of what the company saves in reducing shoplifting and errors is returned to associates -- up to \$200 apiece last year; Wal-Mart's profit-sharing plan is one of the best in the business. For its consumers, the chain gives each year a \$1,000 college scholarship to a high school senior in every Wal-Mart community. Walton also loves to encourage old-time retail razzle-dazzle such as having paratroopers drop into the parking lot of a store celebrating an anniversary. Explains Jack Shewmaker, president of Wal-Mart, "People like to shop where something is happening."

Sam Walton's "hands-on" management style has earned him praise in the best-seller *In Search of Excellence: Lessons From America's Best-Run Companies*. Most of his associates would be the first to agree. One night, for instance, Walton couldn't sleep. At 2:30 a.m. he got up, bought four dozen donuts at an all-night bakery and took them to one of his distribution centers, where he chatted with workers on the shipping docks. There he discovered that two more shower stalls were needed at the location and had them put in. Such involvement has paid human as well as financial dividends. Arkansas' Sen. David Pryor remarked amiably after the Walton Day celebration that the only thing Bentonville didn't do for Sam and Helen Walton was to rename the town after them. Maybe next year.

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1983 Time Inc., People, December 19, 1983

GRAPHIC: Picture 1, Wal-Mart's founding father and his wife, Helen, shared a laugh over a float during Walton Day in Bentonville, Ark., their adopted town. MAYLON RICE/BENTON COUNTY DAILY DEMOCRAT; Pictures 2, and 3, "Since we can class Sam [signing autographs] as a merchant prince, Helen surely could be called a princess because of all the good she does in the area," says local historian J. Dickson Black. Picture 2, DANNY WILLIAMS/BENTON COUNTY DAILY DEMOCRAT, Picture 3, CLAY CARSON/ARKANSAS DEMOCRAT

1983 Time Inc., People, December 19, 1983

GRAPHIC: Picture 1, Wal-Mart's founding father and his wife, Helen, shared a laugh over a float during Walton Day in Bentonville, Ark., their adopted town. MAYLON RICE/BENTON COUNTY DAILY DEMOCRAT; Pictures 2, and 3, "since we can class Sam [signing autographs] as a merchant prince, Helen surely could be called a princess because of all the good she does in the area," says local historian J. Dickson Black. Picture 2, DANNY WILLIAMS/BENTON COUNTY DAILY DEMOCRAT, Picture 3, CLAY CARSON/ARKANSAS DEMOCRAT

Wal-Mart  
Run-in  
w/ hot dog  
vendors

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34TH STORY of Level 1 printed in FULL format.

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November 4, 1991

SECTION: Vol. 30 ; No. 21 ; Pg. 3

LENGTH: 451 words

HEADLINE: Hot Diggity Dog gone. Sam's Club tosses wiener vendor out on its buns

BODY:

Hot Diggity Dog Gone

HOUSTON - Sam's Clubs, the membership wholesale club wing of Wal-Mart Stores, has once again evicted a chain of hot dog stands that operated in 24 of its Texas club parking lots for the past five years. The retail giant last year severed its relationship with the hot dog vendor, Hot Diggity Dogs, but reconsidered after a firestorm of local publicity revealed that all 92 of Hot Diggity Dogs' employees were elderly and/or handicapped, and in many cases could not hold other jobs.

Ironically, according to the Houston Chronicle, Hot Diggity Dogs had recently been named small employer of the year by the President's Committee on Employment of People with Disabilities and by the Texas Governor's Committee on Employment of People with Disabilities. Nominating the company for the second award was Wal-Mart chairman Sam Walton.

Wal-Mart senior vice president Tom Coughlin reportedly sent Hot Diggity Dogs a letter in early August giving the vendor 30 days to vacate Sam's premises, an order that Hot Diggity Dogs owner Scarlett Rabalais evidently ignored. She had filed suit against Sam's in June, charging among the 15 counts breach of contract and violation of various state and local ordinances.

She also appeared on CBS network's news program, Hard Copy, on the evening of Oct. 9. Just minutes later, at 8 p.m., Sam's store managers ordered all Hot Diggity Dogs employees to remove their property and be off the premises by midnight, a requirement Rabalais said could not be met by most of her disabled employees.

Rabalais charged that when property was not removed by the deadline, Sam's employees seized some \$ 25,000 worth of perishable food and \$ 400,000 of fixtures, which they had not returned at presstime. The day's receipts, however, were eventually returned, along with employee time cards.

The vendors purchased all of their supplies and much of their equipment from Sam's, and in addition paid 10% of net sales as rental, Rabalais said. "We were their No. 1 wholesale account in the stores where we operated," she said. "Anything that could be bought at Sam's, we bought there."

For its part, Sam's would say only through a prepared release that there are "two sides to every story" and that it is "eagerly awaiting the opportunity to have the situation resolved in court." The company added that "since the action is in litigation, we feel it's most proper to let the situation be handled in court rather than in the news media." However the situation is resolved, Sam's



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will likely suffer a black eye in the Texas market, where press coverage has been extensive.

SUBJECT:

Warehouse stores, Contracts ; Restaurant industry, Contracts

COMPANY:

Wal-Mart Stores Inc. Sam's Club, Contracts ; Hot Diggity Dogs, Contracts ;  
SIC: 5136 ; 5137 ; 5331 ; 5812

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LOAD-DATE-MDC: February 11, 1992



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Proprietary to the United Press International 1991

October 11, 1991, Friday, BC cycle

SECTION: Financial

LENGTH: 419 words

HEADLINE: Elderly, handicapped hot dog vendors ousted from Sam's

DATELINE: HOUSTON

KEYWORD: HOTDOGS

BODY:

Managers at Sam's Wholesale Clubs across Texas, owned by the giant Wal-Mart chain, have kicked out 92 hot dog stand vendors, all of them handicapped or senior citizens, in a move the stands' owner called 'corporate greed at its worst.'

Hot Diggity Dogs has sold hot dogs on Sam's parking lots for four years, paying 10 percent of gross sales to Sam's and buying all materials from Sam's.

The company hires only the handicapped and people over 50, paying them \$5 an hour. It operates 24 stands in 11 Texas cities.

'This is a pretty shabby way of doing things,' Hot Diggity Dogs founder Scarlett Rabalais said of the ouster. 'It's corporate greed at its worst.'

Officials of Bentonville, Ark.-based Wal-Mart declined to answer questions on the action or any aspect of the relationship with Hot Diggity Dogs because of a pending lawsuit filed against the firm by Rabalais.

'We believe the public realizes that the culture and philosophy of the company have always kept the best interest of our members, employees and shareholders in mind,' said a statement issued by Wal-Mart. 'Our actions will continue to be based on those beliefs.'

Rabalais believes Wal-Mart, owned by billionaire Sam Walton, wants to take over the hot dog business. Forbes magazine recently listed Walton as the third-richest man in the United States.

'They're trying to kick us out and take it over,' she said Thursday. 'There's not a wealth of money in the hot dog business. You would think Wal-Mart makes enough money that they wouldn't need this, too.'

The company, which previously told Rabalais the stands would have to be removed by Oct. 19, told Hot Diggity Dog workers they would be physically removed or arrested if they returned to the stores in their uniforms.

Sam's also seized all Hot Diggity Dog equipment not removed from its property by 12:01 a.m. Thursday.

Rabalais said Wal-Mart officials told her she was being terminated because she tried to criticize Wal-Mart officials through the media.



Proprietary to the United Press International, October 11, 1991

Rabalais' lawsuit, filed three months ago, claims Wal-Mart violated the Texas Free Enterprise and Anti-Trust law and broke its contract with her. She received a letter Aug. 3, 1990, saying Wal-Mart had decided to use company-operated hot dog carts and asking her to leave in 30 days.

Rabalais has continued to operate the stands.

Three Hot Diggity Dog workers also have filed separate suits against Wal-Mart, claiming they were harassed by company managers.

# WAL-MART®

## PR

### FACT

**W**al-Mart Stores, Inc. is a national discount department store chain offering a wide variety of general merchandise to the customer. The stores are designed to offer one-stop family shopping in 36 departments including family apparel, health and beauty aids, household needs, electronics, toys, fabrics and crafts, lawn and garden, jewelry and shoes. In addition, at certain store locations, a pharmacy, automotive supply and service center, garden center, snack bar, vision center or one-hour photo lab may be included for customer shopping convenience.

The secret to Wal-Mart's success is the fact that the company pays very strict attention to three basic principles. These principles, which have been used to guide the company since its founding in 1962, will continue to direct Wal-Mart into the 21st century.

The first principle is the concept of providing value and service for customers. This means being dedicated to providing customers with quality merchandise at the lowest prices every day. Always.

Wal-Mart's advertising program is unique to the industry. Wal-Mart operates its stores with an "Everyday Low Price" philosophy and is able to maintain its low price structure through conscious expense control. While other major competitors typically run 50 to 100 advertised circulars per year, Wal-Mart offers 13 major circulars a year. In return, the savings on costs associated with fewer circulars are passed on to the customer in the form of lower shelf prices on an everyday basis.

At Wal-Mart, the customer is the boss and everything possible is done to make shopping at a Wal-Mart store a friendly, pleasant experience.

Wal-Mart associates strive to provide exceptional customer service, a characteristic unique to the chain. The "Satisfaction Guaranteed" refund and exchange policy allows customers to be fully confident of Wal-Mart's merchandise and quality. Customers may also choose to take advantage of the Visa, Mastercard, Discover or ~~Interac~~ <sup>plus</sup> available at each store location.

The second basic principle involves a partnership with our associates (employees). Sam Walton has a philosophy to make everyone a partner and share in the profits. Wal-Mart succeeds in many ways because of the ability to provide a family-like environment that emphasizes teamwork. Individual contributions to the team effort are welcomed and rewarded.

The third principle is a commitment to the communities in which stores are located. Wal-Mart is a good corporate neighbor as each local store strives to become an active part of the community. By working with other local merchants to create the retail trade center of the community, a long-term partnership with associates and customers is established.

Each store also participates in community involvement projects that combine locally-raised funds with matched funds from the Wal-Mart Foundation. The Foundation also has an economic development program whereby funding has been set aside to assist communities in attracting new industry and creating jobs for area residents. In conjunction with the Foundation's matching funds, Wal-Mart contributes to ten national charities. Recognizing that our youth hold the key to the future, each store awards an annual scholarship to a deserving area high school student.



**Sam M. Walton, Founder and Chairman**



### 1940s: THE BEGINNING

Samuel Moore Walton began his retail career in Des Moines, Iowa, as a management trainee with the J.C. Penney Company in 1940. He left the company in 1942 for a three-year service in the Army.

Mr. Walton opened the first Walton's Ben Franklin store in Newport, Arkansas, in September, 1945.

J.L. "Bud" Walton, Sam's brother, opened a Ben Franklin store in Versailles, Missouri, in 1947.

### 1950s: EARLY BEN FRANKLIN YEARS

After losing the lease on his Newport store, Sam Walton relocated to Bentonville, Arkansas, in 1950, and opened Walton's 5 & 10. Today this building houses the Wal-Mart Visitors Center, which traces the origin and growth of Wal-Mart Stores, Inc. During the 1950s, the number of Walton-owned Ben Franklin franchises increased to nine.

### 1960s: WAL-MART BEGINS OPERATION

Walton-owned stores increased to 15. In 1962, the first Wal-Mart Discount City was opened in Rogers, Arkansas, by Sam and Bud Walton. Two years later, the second Wal-Mart store opened in Harrison, Arkansas.

Merchandising and operation systems were refined. By the end of the decade, there were 18 Wal-Mart stores and 15 Ben Franklin stores in operation throughout Arkansas, Missouri, Kansas, and Oklahoma.

The company became incorporated as Wal-Mart Stores, Inc. on October 31, 1969.

### 1970s: WAL-MART GOES PUBLIC; STOCK BEGINS TRADING

In 1970, Wal-Mart opened its first distribution center and home office, a 72,000 square foot complex in Bentonville, Arkansas. Today, the home office totals over 580,000 square feet, and the company's 17 distribution centers often average over one million square feet.

Wal-Mart stock first traded over the counter in October, 1970, when it became a publicly-held company. In August, 1972, it was approved and listed on the New York Stock Exchange.

Ben Franklin stores were phased out by 1976 to allow the company to concentrate on the growth of Wal-Mart Stores. By the end of 1979, there were 276 Wal-Mart stores located in eleven states. Stores were primarily located in towns of 5,000 to 25,000 population. The stores' sizes ranged from 30,000 to 60,000 square feet with 45,000 square feet being the average.

Sales increases were reflective of the company's new store growth and increased acceptance as a one-stop family shopping center. Sales grew from \$44 million in 1970 to \$1.248 billion in 1979.

Wal-Mart received its first national ranking by Forbes magazine in 1977 in the publication's yearly "Forbes Yardsticks." The company was ranked first in the discount and variety stores division in the following categories: Return on Equity and Return on Capital; Sales Growth; and Earnings Growth. Rankings were based on the preceding five years' average performance. With minor exceptions, Wal-Mart has maintained those rankings through the current year.

In 1977, the company made its first major acquisition. Sixteen Mohr-Value stores, located in Missouri and Illinois, were purchased.

During 1978, Wal-Mart opened its first major distribution center outside of Bentonville, a 390,000 square-foot facility in Searcy, Arkansas. In addition, Wal-Mart-owned pharmacy, auto service center, and jewelry divisions began operations. Hutcheson Shoe Company, a major shoe depart-



Customers are welcomed at the front door by Wal-Mart's "People Greeter."

ment lease operation, was acquired as a fully-owned Wal-Mart division. Wal-Mart has acquired all in-store jewelry units and all shoe units from its leased department operators. This allows operational control over virtually all departments within each Wal-Mart store and coordinates the total shopping experience for the customer.

## 1980s: A NEW ERA OF EXPANSION

In the 1980s, Wal-Mart expanded its trade territory to 24 states. The company ended the year with 276 stores in 1980, 330 in 1981, 491 in 1982, 551 in 1983, 642 in 1984, 745 in 1985, 859 in 1986, 980 in 1987, 1,114 in 1988, 1,259 in 1989 and 1,402 in 1990, bringing the total to 1,573 in 36 states as of January 31, 1991. Today, standard store sizes range from approximately 30,000 to over 120,000 square feet with 70,000 square feet being the average size.

The company's 17 distribution centers are located in Alabama, Arkansas, Colorado, Georgia, Indiana, Iowa, Mississippi, South Carolina and Texas. New distribution centers are planned for California, Florida, Indiana and Virginia in 1991 and 1992.

In the 1980s, the testing of several new Wal-Mart divisions began. During 1983, Wal-Mart opened its first three SAM'S Clubs. SAM'S, named in honor of founder Sam Walton, is a wholesale/retail cash-and-carry membership warehouse operation. The division ended the fiscal year with three in 1984, 11 in 1985, 23 in 1986, 49 in 1987, 84 in 1988, 105 in 1989, 123 in 1990 and 148 in 1991.

Other divisions included the 1983 opening of the first dot Deep Discount Drugstore in Des Moines, Iowa. When sold by Wal-Mart in February, 1990, there were 14 dot Discount Drugstores operating in four states.

In 1984, the first Helen's Arts and Crafts store

was opened in Missouri. When sold by the company in May, 1988, there were three stores in operation.

In 1987, Wal-Mart opened its newest merchandising concept, Wal-Mart's HYPERMART\*USA. These units are combination grocery and general merchandise stores in excess of 200,000 square feet. In addition, a variety of fast food and service shops augment the stores to create a mall-like atmosphere and achieve one-stop family shopping. Stores are located in Garland, Texas; Topeka, Kansas; Arlington, Texas; and Kansas City, Missouri.

Another new concept started by Wal-Mart in late 1987 was the Wal-Mart Convenience Store. When sold by the company in late 1990, there were nine units operating in Arkansas, Missouri and Texas.

Wal-Mart opened the first of several Wal-Mart Supercenters which combine general merchandise and grocery. Locations include Washington, Jefferson City, Poplar Bluff and Farmington in Missouri; Wagoner, Oklahoma; and Batesville, Arkansas.

The People Greeter program is an example of Wal-Mart's unique form of customer service, which seems to have started a trend. It all began in 1983, and came about as the result of a suggestion received from an associate in one of Wal-Mart's Louisiana stores. The position of People Greeter offers that associate the unique responsibility of meeting and welcoming customers as they enter Wal-Mart stores. Officially, the People Greeter has the job of handing out shopping carts and smiles.

In January, 1985, Wal-Mart stock began trading on the Pacific Stock Exchange.

## 1990s: STRIVING FOR TOTAL QUALITY

An increase in sales again reflected the company's continued new store growth and positioned Wal-Mart as the nation's number one

*"We want to  
**ALWAYS** have the  
 best customer  
 service. We want to  
**ALWAYS** have the  
 best prices every day.  
 Our commitment to  
 the customer is  
**ALWAYS -- in  
 everything we do."***

*-- David Glass*

*Wal-Mart President and C.E.O.*

retailer in sales. Sales grew to \$32.6 billion in 1990, with profits reaching over \$1 billion for the second consecutive year.

During the fiscal year ending January 31, 1991, the company opened approximately 175 new Wal-Mart stores and 25 SAM'S Clubs. Similar growth plans are expected for the next several years. Several merger agreements and acquisitions were announced during 1990. In mid-1990, Wal-Mart announced the acquisition of Western Merchandisers, Inc., of Amarillo, Texas. Western Merchandisers is a supplier of music, books and video products to many Wal-Mart stores.

Also in 1990, the company agreed to acquire the McLane Company, Inc., of Temple, Texas, a recognized leader in the specialized distribution industry. McLane supplies its retail customers with grocery and non-grocery products, including perishable, non-perishable and general merchandise items.

In 1991, The Wholesale Club, Inc., of Indianapolis, Indiana, was merged with SAM'S Clubs, adding 28 units to the division.

## MORE THAN JUST A RETAILER

**W**al-Mart continues to be innovative. Technology designed to expedite the customer's shopping trip is also a major part

of the Wal-Mart program. Wal-Mart was the first retail chain to be equipped with scanner cash registers in all facilities. Hand-held computers assist Wal-Mart associates ordering merchandise in all stores. Backroom computers link each store with the Bentonville, Arkansas based home office and various distribution centers for communications and quick replenishment of merchandise.

The company is involved in creating or saving American jobs through Wal-Mart's Buy American program. Wal-Mart, again the innovator in the retail industry, began this challenge in 1985. The company is constantly seeking more items to convert from foreign sources to American manufacturers as Wal-Mart prefers to place American-made products on its shelves.

When Wal-Mart customers expressed their concern about the quality of the environment, Wal-Mart was the first retailer to step up to the challenge. In 1989, Wal-Mart made a commitment to work with others to clean up the land, air and water. Various environmental efforts are currently underway in all Wal-Mart communities.

# WAL-MART

**WAL-MART STORES, INC.**  
**CORPORATE OFFICES**  
 702 S. W. 8th Street  
 Bentonville, AR 72716

## Public Relations

(501) 273-4314

### DATA SHEET

<b>Wal-Mart Stores</b>	1,728 stores (includes nine Wal-Mart Supercenters)
<b>SAM'S Clubs.</b>	210 clubs
<b>Wal-Mart's Hypermart*USA</b>	Four units
<b>Company Trade Territory</b>	43 states (Announced plans for Wal-Mart stores in Connecticut, Idaho, Massachusetts, Montana and Puerto Rico through 1993)
<b>Total Associates</b>	Approximately 365,000
<b>Distribution Centers</b>	18 locations (Two additional warehouses currently under construction)
<b>Sales</b>	FYE 1/31/92: \$43.9 billion For the month of February: \$3.609 billion (34% increase over same period last year). Net income of \$1.61 billion. Same store sales increased 20% for February (including Leap Day).
<b>Buy American Program</b>	Started in March, 1985. To date, has created or retained over 80,000 jobs nationwide. Company has converted or retained over \$3 billion in purchases, at cost.
<b>Environmental Effort</b>	Wal-Mart's Commitment to the Land, Air and Water began in September, 1989
<b>Children's Miracle Network</b>	Company raised \$5.5 million in 1991 - Wal-Mart was the largest corporate contributor
<b>United Way</b>	Company raised more than \$7.5 million in 1991



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January 6, 1992

SECTION: Vol. 31 ; No. 1 ; Pg. 1

LENGTH: 984 words

HEADLINE: Sam's beats Price Club to Mexico; at home, Sam's phases out free memberships; Club Aurrera, warehouse store in Mexico City

BYLINE: Markowitz, Arthur

BODY:

Sam's Beats Price Club to Mexico

BENTONVILLE, Ark. - Wal-Mart became the first U.S. retailer to open a wholesale club in Mexico when its joint venture with Cifra, N.A., the largest Mexican merchant, unveiled two Club Aurreras in Mexico City last month.

Wal-Mart beat the Price Club into Mexico, with the latter's initial Price Club de Mexico, a joint venture with Commercial Mexicana, another major Mexican retailer, due to open in Mexico City by the end of next month.

(Visits to Club Aurrera and Price Club de Mexico are part of the two-day "Opportunities in Mexico" program being sponsored by DSN/Deloitte & Touche in Mexico City Feb. 20 to 21.)

Wal-Mart's move south of the border came as its domestic membership warehouse subsidiary, Sam's Club, told group members it was phasing out the no-fee membership category effective this month. These members would now have to purchase \$ 25 Advantage memberships to continue as Sam's Club members.

Sam's Club is the fourth major wholesale club to drop the no membership-fee group category, leaving only Pace Membership Warehouse still offering free memberships to group members.

Sam's Club ended 1991 with 208 units. The net gain of 60 clubs (which covers the acquisition of the 28-unit Wholesale Club chain), include Sam's Clubs that opened in five new states in the Northeast: Connecticut (Manchester); Delaware (Dover); Maine (Bangor and Scarborough); Maryland (Hagerstown) and New York (Greece and Henrietta.)

Last year the chain also planted clubs in Minnesota (via the Wholesale Club acquisition) and Nevada for the first time, raising to 35 the number of states where it has units.

This month the initial Sam's Club will open in Worcester, Mass., while the chain will enter New Hampshire later this year with units in Hudson and Seabrook. This will leave Vermont and Rhode Island as the only states in the 11 state region without any projected or operating Sam's Clubs.

The latest group of 24 Sam's Clubs opened in the fourth quarter averaged about 130,000 sq. ft., and most included fresh meat, produce and scratch

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bakery sections. A number of older Sam's Clubs, including the unit in Springdale, Ark., the membership warehouse closest to Wal-Mart's Bentonville headquarters, will be expanded this year to house these sections.

About 100 Sam's Clubs, or approximately one-quarter of the chain, are expected to have fresh produce and scratch bakery departments by year end.

The recent Sam's Club opening in the Philadelphia Franklin Mills complex, its third unit in the Greater Philadelphia area, saw informational picketing by United Food & Commercial Workers Local 1776. The local had also picketed Carrefour and recently ended a bitter labor dispute with Carrefour, which is on an outparcel at the complex.

The local noted in its flyer that one government official said that the "Franklin Mills, Northeast Philadelphia area is an economically blighted urban area. What then will it look like after Sam Walton and his predatory marketing policies has wiped out the remaining decent jobs in Northeast Philly?"

The local contended that the non-union Sam's does not create "good jobs" because employees "can be fired for any reason at any time." Despite the union's contention, Wal-Mart, and by extension its Sam's Club subsidiary, continues to enjoy a very positive image as one of the best companies to work for in America.

The chain is also phasing in IBM 4683 point-of-sale terminals that include a fixed upright scanner. Cashiers wear weight belts to help them avoid back problems when they lift bulky goods for scanning.

As for the two Club Aurreras, the initial unit, at 55,000 sq. ft., opened in a new building at 374 Ejercito Nacional in the Polanco district, an upscale residential, tourist and commercial area. The second, larger club, due to open at presstime, replaces a former drive-in on Periferico Norte in Ciudad Satelite, about two kilometers (about 1 1/4 miles) from the Price Club de Mexico in the same northwest Mexico City suburb.

The joint venture Club Aurrera, equally owned by the two companies which together made an initial \$ 20 million investment, plans to open more clubs this year, at least another in Mexico City and up to five in Monterrey, a major industrial center in northeast Mexico.

Modeled on Sam's Club, Club Aurrera sells food and nonfood items. But the clubs are targeted to business customers, mainly suppliers who resell to small retailers. Cifra is a \$ 2.2 billion diversified retailer, parent of five chains: Almacenes Aurrera food and clothing stores, Bodeguarerra discount stores, Superama supermarkets, Suburbia department stores and Vips restaurants.

Cifra, in fact, has emulated Wal-Mart in many of its operations. The top execs of both companies have long known each other and discussed common retailing problems and opportunities. Price Club's partner, Comercial Mexicana, is a \$ 1 billion company.

Club Aurrera membership costs 75,000 peso or about \$ 25. Sam's Club members can use their membership card to shop at Club Aurrera.



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In dropping the no-fee group membership in the United States, Al Johnson, Sam's ceo, informed Business members that "by streamlining [our] membership policy and retaining only the Group members most serious about shopping Sam's Club on a regular basis, we can concentrate on what we do best: Providing our high-volume members with the quality products they need at the lowest possible prices."

Fee-paying group members will now buy goods at the posted warehouse price, rather than paying a 5% surcharge.

PHOTO : New Sam's Club in Franklin Mills, Philadelphia, offers pcs in its cross-over mix items geared to both businesses and consumers.

GRAPHIC: ;Photograph

SUBJECT:  
Warehouse stores, Management

COMPANY:  
Wal-Mart Stores Inc. Sam's Club, Management ; Club Aurrera, Management ; SIC:  
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October 18, 1991, Friday, BC cycle

SECTION: Financial

LENGTH: 165 words

HEADLINE: Wal-Mart cutting back workforce

DATELINE: BENTONVILLE, Ark.

KEYWORD: WALMART

BODY:

A high-ranking executive of Wal-Mart, the nation's No. 1 retailer, confirmed Friday that a cutback is in effect in the number of company employees.

The official, who declined to be identified, said that although the company's sales have been on the upswing, they have also been erratic.

Wal-Mart, which also owns and operates Sam's Wholesale Club stores, recently released 1,200 workers in an effort to reduce costs. Additionally, a hiring freeze was implemented until after Jan. 1, and the number of seasonal workers hired for the upcoming holiday season will be reduced.

The Wal-Mart official said the cutbacks were being made in an effort to stabilize or increase the value of the company's stock.

The majority stockholder of Wal-Mart is Sam Walton of Bentonville, Ark., listed as one of the nation's wealthiest men, with a net worth estimated at \$4.4 billion.

Wal-Mart earned \$788.8 million on sales of \$19.6 billion in the first six months of this year.



March 14, 1992

Some thoughts on the Medal of Freedom for Sam Walton

✓ Thus for me is a very special day. I brought my grandson Sam along to meet another Sam .

✓ ~~Coming to this State at this time might well be seen by the cynics as political. It is not political .~~ I come here to honor a man who epitomizes the American dream. I come here to honor a man who shows that through hard work, and vision, and treating people right many good things can happen.

✓ This visit is not about Sam Walton's wealth. He has earned his money and that is his business. He has been generous with his fortune and that is in the great tradition of America's commitment to this concept I call "A thousand Points of Light".

✓ No it's not about money, <sup>not even philanthropy</sup> this visit is about determination and leadership and decency. His nation honors him today as the outstanding

✓ living example of American initiative and success, noting however that as he became more and more successful he never turned his back on his roots. He never turned his back on his friends. He never let his success alter his lifestyle that has kept him close to his family ~~and friends.~~

✓ In Washington there is the expression- if you want a friend there, get a dog. Well, Mr. Sam didn't have to move to Washington to get a dog. He has "-----" now. They ride around in a pickup truck. "-----" may be spoiled by all that but Mr Sam has not been spoiled. He knows his neighbors names, he loves them, he loves his community. And of course he is strengthened by the family that loves him so much.

✓ Some accuse me of always being out there emphasizing the 'good news'. Well maybe so. I think it is important that All Americans know that some things are going very well in this country.

FROM THE PRESIDENT



Wall-Mart is... Now the country's largest retailer and its most profitable. Wal Mart is employing \_\_\_\_\_ people, adding \_\_\_\_\_ people each year for the last \_\_\_\_\_ years.

*much more fundamental*

But these are statistics. And I'm here today talking about something much stronger; for you see Mr. Sam and Helen, too, exemplify much more than financial success. "Faith and Family" are the values I salute today, along with Risk Taking and Building.

When Sam Walton bought that first Ben Franklin store just \_\_\_\_\_ years ago, who would have thought that today his little venture would grow into \_\_\_\_\_ stores, \_\_\_\_\_ employees and a presence in \_\_\_\_\_ communities that enhances the lives of millions.

Mr. Sam, I salute you for your vision. I am proud to give you your beloved Nation's highest Honor which you have earned. But as we salute your success, I want my grandson Sam to understand we honor a man who loves his Country, who loves his family - a man who has given far more than he has gotten.

Additional thoughts to be worked in...

I read somewhere that at one time Mr. Sam thought he wanted to be President of the United States--

2 comments on that one, I'm glad he's not running today and I've said he's smart. Not running proves it."

Note that Sam uses the word 'associates' instead of employee... remarks above should note that.

'dedication, determination, optimism, hard work - look at Mr. Sam and you see all of these values and more.

FROM THE PRESIDENT

CLOSE HOLD

Document No. 31529855

WHITE HOUSE STAFFING MEMORANDUM

92 MAR 16 P12:05

DATE: 3/16/92 ACTION/CONCURRENCE/COMMENT DUE BY: NOON, TODAY, MAR 16

PRESIDENTIAL REMARKS: SAM WALTON MEDAL OF FREEDOM CEREMONY TUESDAY, MARCH 17, 1992

SUBJECT: BENTONSVILLE, ARKANSAS

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	YEUTTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	KAUFMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>

REMARKS: MC GROARTY

Please provide comments on the attached directly to Dan McGroarty, Rm. 122, x2930, by NOON, TODAY!, MONDAY, MARCH 16, with a copy to this office. Thank you.

RESPONSE:

OK  
BT for SR

CLOSE HOLD

PHILLIP D. BRADY  
Assistant to the President  
and Staff Secretary  
Ext. 2702