

PUBLISHED BY SEE'S CANDY SHOPS, INC.

SPECIAL HISTORICAL ISSUE

1921 - 1991

## See's Candies: 1921 - 1991

### The Story of 70 Years

The story could be part of an historical novel by James A. Michener. It spans seven of the most dramatic decades in American history — and there's always a next chapter.

Above all, it's a story of the people of See's, a story that shows how every employee dedicated to quality and service can build a career within the company limited only by personal vision and determination.

In his column on Page 8, Chairman of the Board Warren E. Buffett looks ahead to the people of See's carrying on this same tradition "70 years from now."

Where to begin this story?

There are many possible beginnings. See's 70th anniversary ad created by Hal Riney & Partners agency sets the mood with these evocative words:

"Return with us to a time when movies were silent, whiskey was outlawed, and chocolates cost about 50¢ a pound.

"It was an exciting time, 1921. The war to end all wars had ended just a scant three years earlier. The fox trot had people kicking up their heels. The twenties were fresh out of the block, just starting to

roar..."

The story could also begin about a year earlier, in the springtime of 1920.

That was when the See family had the vision and sense of adventure to emigrate from Canada across the U.S. to a new era of opportunity in the city of Los Angeles, which then had a population of about 500,000, a count that had doubled during the previous decade.

As a James Michener would have discovered with his depth of research, the real-life story of this See's family is even more fascinating than the folklore which inevitably surrounded it. Intriguing bits of information con-

tinue to emerge even in 1991 from those early years that were not always fully chronicled in the archives of a candy company so busy getting started in a new world and facing all the opportunities and challenges of the 1920s.

#### The image of Mary See

In November of 1921, scarcely a year after immigrating with his family to Los Angeles, Charles A. See founded the candy company that has always reflected the image of his mother, Mary See.

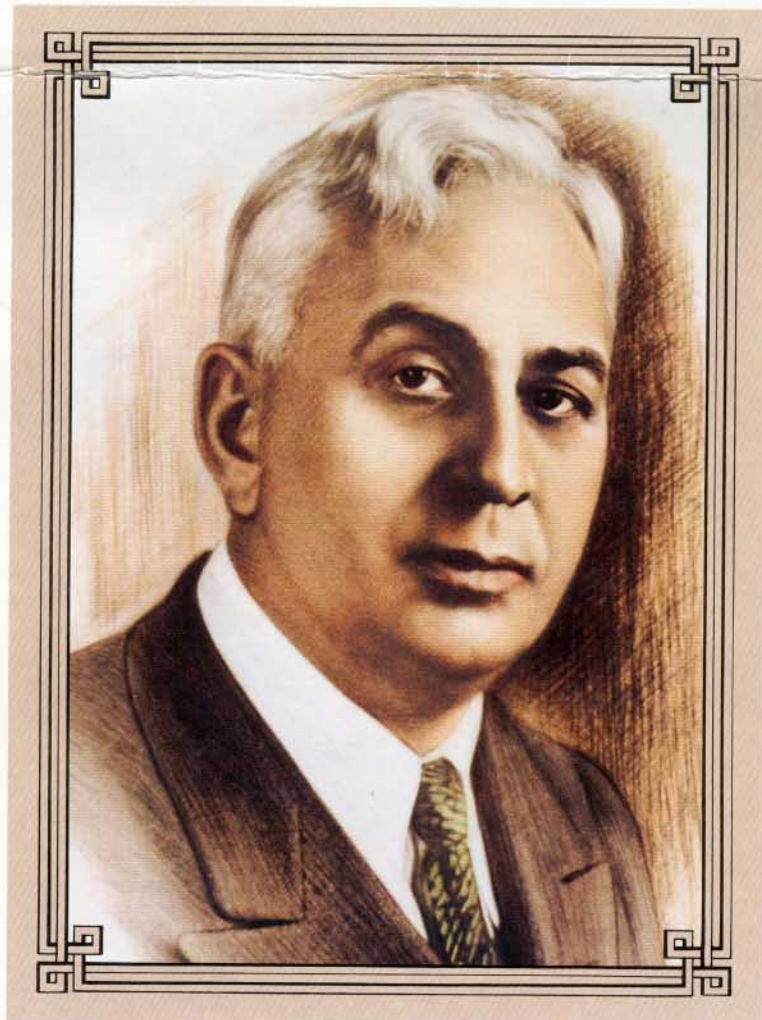
A gifted entrepreneur, he brought from Canada the insights and support of a personal and family business background that proved invaluable in

Southern California. He sensed that the name and image of Mary See, who at age 65 was already a beloved grandmother and had always enjoyed making candies for her family, was essential to the success of See's "Old Time" and "Home Made" candies in an increasingly competitive market.

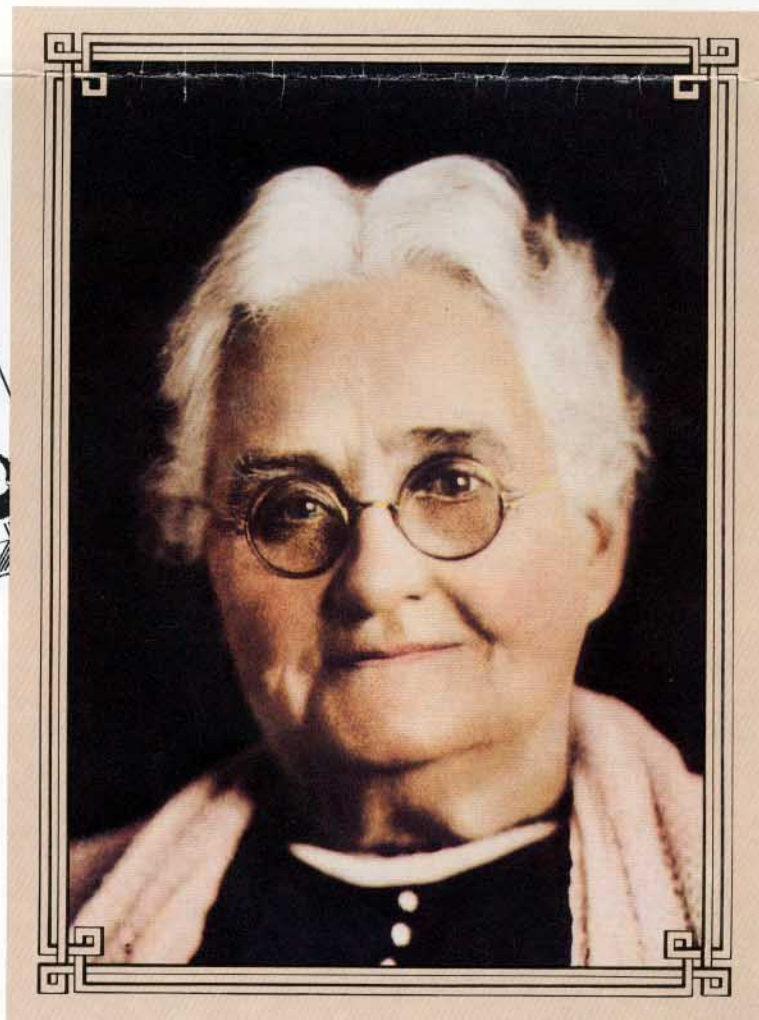
The first See's Candy Shop at 135 W. Western Avenue in Los Angeles was also a candy-making kitchen. Mary See's home recipes became part of candy and confectionery items made by hand.

Charles A. See placed primary emphasis on making quality candies, matched by the quality of

(Continued on Page 2)



Charles A. See



Mary See





# ...Into The Roaring Twenties

(Continued from Page 1)

friendly customer service.

He opened that first shop and candy kitchen in partnership with Los Angeles businessman James W. Reed. Company records show that his wife Florence and mother Mary See were part of this venture.

With them from Canada had come Charles A.'s and Florence's daughter Margaret and son Laurance A., who was nine years old when that first shop opened. He would become president of the company 28 years later. His younger brother Charles B. "Harry", who would succeed him as president, was still to be born.

Mary See shared happy times with Charles A.'s family in the founding years of the company, and was so

proud when her photo began to appear as a warmly personal trademark on every box of See's Candies — symbol of old-time quality and service.

She likewise remained close to her own ties in Gananoque, Ontario, where she and her husband Alexander were owners of the popular Tremont Park summer resort in the nearby 1,000 Islands vacation area. A local newspaper article published during her long lifetime noted that she was "well-known and beloved for her kindly interest in charitable work." Mary See was of Dutch-English descent and was born September 15, 1854, on Howe Island in Gananoque. She and Alexander also had two daughters, and one of them contributed three of their six

grandchildren.

Charles A. brought from Canada a knowledge of candy sales and marketing as part of his own business background. He had first studied pharmacy and then opened two drugstores in Timmins, an Ontario mining town. When these were destroyed by a forest fire, he became a chocolate salesman familiar with the Canadian success story of the Laura Secord candy shops, a success he dreamed of duplicating in California.

## Those Roaring Twenties

Los Angeles became a melting pot during the decade of the '20s. The Canadians were only a ripple on the incoming tide of Europeans, Serbs, Armenians, Chinese, Japanese and

most of all the people of Spanish backgrounds. From all of these heritages and many more came welcomed employees as well as customers to See's Candies.

The '20s indeed took off with an economic roar, fueled by the growth of the motion picture studios, oil production, tourism and many new manufacturing industries. During this decade the population of Los Angeles was to soar to more than 1,200,000.

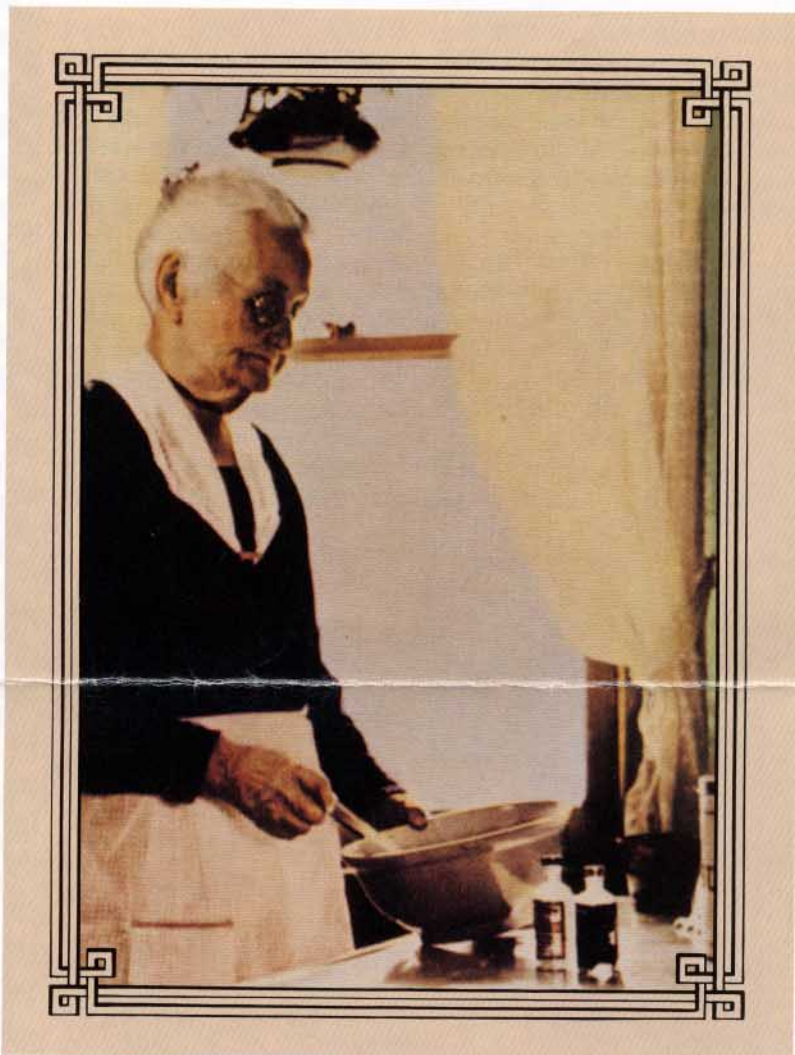
Charles A. See had shrewdly come at the right time, yet competition was tough. Literally hundreds of family enterprises related to confectionery products were opening — bakeries, soda and ice cream shops as well as candy shops. But with

Charles A.'s emphasis on quality and service as part of the image of Mary See, his candy shop and kitchen on Western Avenue quickly expanded to a second shop in Grauman's Theatre Building at 6th and Hill Streets in downtown Los Angeles, and then to a third shop at 396 East Colorado Boulevard in Pasadena, along the route of the Tournament of Roses Parade.

## Victorian Home

The Pasadena city directory for 1921 shows that Charles A. and his family were already comfortably settled in a post-Victorian bungalow-style home designed in 1904 by the noted Southern California architect C.W. Buchanan at 462 South Marengo

(Continued on Page 3)



This photo of Mary See making candy in her home kitchen helped Charles A. See create the "home-made" image of See's Candies. He also featured the photo in the candy industry's campaign to oppose discriminatory taxes on candy, which is still an issue in 1991.



Charles B. "Harry" See was the younger son of the See family and this photo made a popular poster in See's shops of the 1920s.

## "My Great-Aunt"

When Dorothy E. Sheedy saw Sees' 70th Anniversary ad, she was reminded that Mary See "was my great aunt."

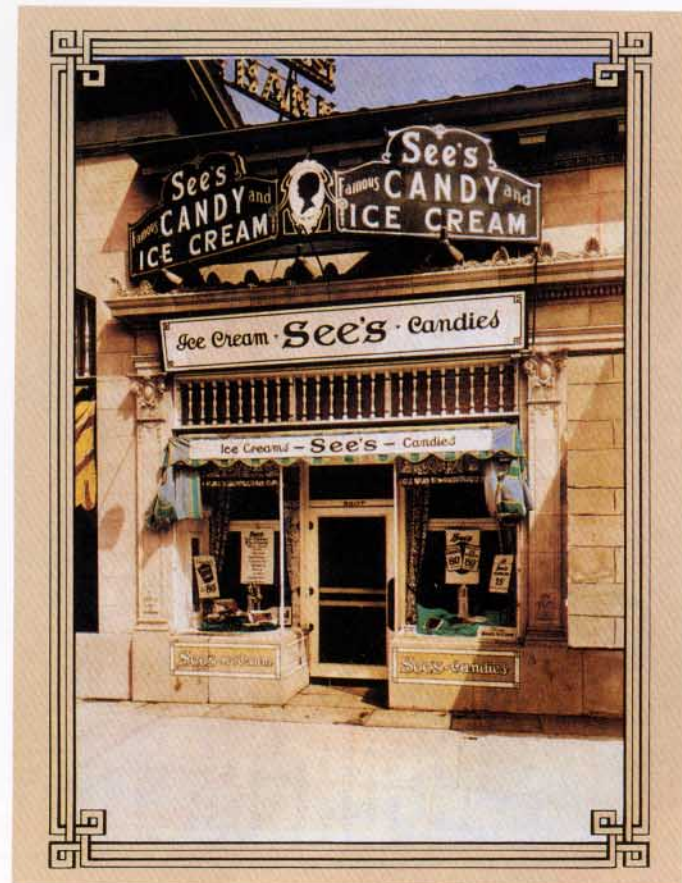
Mary See visited the family farm of her sister, who was Dorothy's grandmother, near Bath, Ontario, Canada, when Dorothy was about 10 years old.

Dorothy Sheedy sent to See's a newspaper clipping found in her family's Bible. It's a story about Mary See in her 83rd year and supplies some of the information about her in this Historic Issue.

Dorothy Sheedy and her husband come from Ontario to winter in La Jolla, Southern California, where they always enjoy "Aunt Mary's candy."



See's candies being made by hand in the Los Angeles kitchen of the 1920s, fulfilling the image created by the Mary See photo.



Charles A. See found that ice cream helped introduce new customers to his candies.





# "We'll Survive Together"

(Continued from Page 2)

Street, three blocks south of Colorado Boulevard. Charles B. "Harry" See was born in this home. The See family subsequently moved on to Beverly Hills, but the home is still preserved in the South Marengo Historic District and is known as the "Mrs. See's House". The fireplaces and leaded glass windows have been restored, and the rooms are furnished for low-profile professional offices.

By June 2, 1922, it made sound economic sense for See's Candy Shops to become a corporation, with a capital stock of \$100,000. This was done with Charles A. as President and his wife Florence MacLean See as Secretary. He and his partner James W. Reed turned over all personally-held shop investments to See's Candy Shops, Inc., in exchange for 250 shares each of the capital stock. One of the original stock certificates was made out to Mary See.

As See's Candies continued to expand with the '20s, loyal and dedicated employees who believed in See's standards of quality began to find their own careers expanding, no matter at what level they had started to work within the company.

## Hugh Fry

The story of Hugh Fry shows what could and can still happen at See's. Hugh was born in Dallas, Texas, on September 14, 1910. He moved to Los Angeles with his family at the age of 3, which was just before World War I broke out in Europe and near-

ly eight years before the See family immigrated to the city. As the 1920s moved along, his mother became Manager of the See's Candy Shop on Western Avenue, and then Hugh was hired as a clerk in See's shipping department.

Near the end of the decade, Charles A. was on a trip to study supply sources in Europe when a motorcycle with a sidecar caught his sharp eye as a possible billboard and delivery vehicle for See's Candies. This was an era when motorcycles and bicycles were as much a part of Los Angeles traffic as Model T's. When he returned, Hugh Fry got the job as See's first "Easy Rider."

Hugh rode on up to top management at See's and then became President before ill health forced him to retire in 1972, after 41 years that left an indelible impression on See's Candies and heartwarming memories with his many friends in the company. In his retirement years, and until not long before his death in Quitman, Texas, in 1981, he continued to serve See's in many ways.

The late Forrest Jordan was another 1920s example of what career opportunities in the company can be. He spanned the history of See's from the late '20s to his retirement in the 1960s, from his first job in the shipping department to becoming head of production during See's crucial growth years. He and his shipping clerk Hugh Fry both met

and married attractive young women at See's, creating the "two big romances" of the '20s in the unfolding story of the company.

## The Not-So-Roaring '30s

After the stock market crash of 1929, the '30s came in with the Great Depression, the most severe the nation and the world has ever faced. Massive unemployment hit 25 percent of the nation's entire work force, thousands of banks closed for lack of liquidity, agricultural prices fell below the cost of growing crops and farmers were losing their land all across America. Many people began migrating to California in hope of finding chances for a new life, but California also was hard hit.

President Herbert Hoover was swept out of office and Franklin D. Roosevelt took over the White House in 1932 for the first of an unprecedented four terms. FDR's New Deal was the era of WPA, CCC, agricultural, banking and industrial assistance programs, plus so many other government efforts to cope with a depressed economy that never really turned around until World War II.

## 50¢ a pound

Charles A. See cut the price of his candy from 80 cents to 50 cents a pound, and told his landlords: "Lower rent is better than no rent; reduce the rent and we'll survive together."

It was in the depressed year of 1931

that Mrs. Alta T. Underwood started as a bookkeeper at See's. She was to become like a member of the See's family and by her retirement in 1964 was a corporate Director and the Chief Financial Officer.

That year of 1931 also brought to See's a man who was the beginning of what so many who knew and respected him considered to be...

## The "Eddie Peck Era"

Edward G. Peck joined See's as Sales Manager and for the next 41 years, until his retirement in 1972, made a monumental contribution to the growth and quality image of See's Candies.

But growth didn't seem to be the priority challenge when the Great Depression began. It was a prodigious accomplishment simply to keep the company alive, which meant dealing also with competition that became increasingly severe as the economy plummeted.

Charles A. continued to study the market carefully. On April 9, 1932, from the Hotel Stevens in Chicago, he wrote to Sales Manager Eddie Peck in Los Angeles:

"Fannie Mae selling today for 35 cents a pound! Laugh that off! Martha W. closed 12 stores during the last 18 months, so guess we are lucky in a way..."

A week later from New York, where he was continuing his never ending search for ways to improve quality, he wrote to his Sales

Manager from the Hotel Taft:

"I am sending you two parcels - one of bars and one of Fannies goodies. You can compare them also as to quality of chocolate coating..."

And even during the worst of the Depression, Charles A. remained aware of preserving for See's the image of community service in every way possible.

In 1932, when Los Angeles hosted the Tenth Olympiad, the *Examiner* published a special section featuring local business firms that had helped raise funds for the Olympics. The feature on See's read:

"Los Angeles is the home of many manufacturing enterprises whose products have world-wide distribution. A majority of these organizations grew from humble beginnings, with limited investment and facilities.

"Outstanding among these is See's Candy Shops, Inc., now installed in its new \$100,000 Sunlit Studio at 519 West Washington Boulevard.

"Charles A. See is a ready supporter of many worthwhile civic undertakings and is among those whose cooperation has been of value to the Olympic Committee in its preparation for staging the Tenth Olympiad..."

Charles A. had started construction of the new Sunlit Studio Candymaking facility as the Great Depression struck the nation, and he realized the importance of completing it.

(Continued on Page 4)



Delivery See's candies in the "Easy Rider" '20s was the beginning of the Shipping Department of the '90s that delivers fresh candies in refrigerated trucks and by air to See's shops throughout the western U.S., and to Hawaii and Hong Kong.



When she saw this photo sent to See's Marshmint Club members, Diane R. Leonard recognized "my mother - the lady on the right." Her mother, June Murphy Nichols, now 78, started working in L.A. area shops at age 15, became Manager at 16, and once prevented robbery because she'd hidden the money.



Hugh Fry



Forrest Jordan



Edward G. Peck



Alta T. Underwood



See's "Sunlit Candy Studio" on West Washington Blvd. in Los Angeles during the 1932 Olympic Games.



# ...Coping With the Great Depression

(Continued from Page 3)

## Quantity Order/Mail Order Begin

To help cope with the Great Depression, Charles A. started Quantity Order which today is a major marketing counterpart to See's Retail Sales. In an offer of November 15, 1932, he gave customers the opportunity to buy 50 pounds or more of See's Candies at 42-1/2 cents per pound. This was a successful effort to encourage use of See's candies for economical company gift-giving and for fund-raising by clubs and other groups.

At the same time, he continued to build the Mail Order business started during the '20s. All shops offered "Quality Candy by Mail". Candy was carefully packed with cotton padding in the candy-making kitchen and enclosed in strong corrugated shipping cartons. In quoting the Post Office rates of that era, prospective customers were told that all quoted rates included "a Postal insurance fee of 5 cents." If a package was damaged or lost, "Postal authorities will honor a claim for refund of the purchase value."

Charles A. had expressed his appreciation for "the tremendous growth of our Mail Order business" and for the international recognition that was coming from "so many satisfied patrons from all over the world, reaching such far-distant points as Cairo, London, various parts of the European continent, South America and the Orient.

The best of ingredients likewise

began coming from what would increasingly be continental and worldwide sources of supply — maple sugar from Canada, chocolate from Africa & South America, pineapple from Hawaii, nuts from Georgia, Oklahoma, Missouri and Texas as well as California...

## Dorothy Forbes Joins See's

The start of the depression era was marked by another historical highlight for See's. Charles A.'s wife Florence was active in community and social life, and in 1931, at a party given by a friend, something caught her eye in the artwork by the niece of her hostess. She asked the young artist to try something for See's.

The artist was Dorothy Gray, newly returned from two years of study in New York. For more than the next half century, Dorothy Gray Forbes continued to do artwork for advertising and shop display posters which always captured the image of See's Famous Old Time Candies. See's 70th Anniversary year is also the year for honoring Dorothy Forbes and the 60th Anniversary of her contributions to See's.

## Earthquake

The Long Beach earthquake of 1933 added to the impact of the depressed economy on See's Candy sales in an important part of the greater Los Angeles marketing area. Damage was heavy within the city where a See's shop depended on

customer traffic, but such disasters which seem destined to be part of living and doing business in California always inspire people to find new ways to put things back together again. The Long Beach quake brought improved construction standards to make future buildings and See's shops safer places in which to serve customers.

## Stanford Grad

In 1934, in the middle of Franklin D. Roosevelt's first Depression-era term in the White House, See's image as a family company expanded when Laurance A. See graduated from Stanford University and came into the Los Angeles headquarters office, where he soon was moved up to serve as General Manager under his father.

To bring his son into this top position within the Los Angeles office, Charles A. made a move he had long felt would be essential for the continued growth of See's Candies.

The port city of San Francisco had been growing as an international trade and financial center ever since the California Gold Rush began in 1848. It had recovered quickly from the devastating earthquake of 1906 and had continued to expand as a trade and shipping hub of the West Coast during World War I and the roaring twenties. In 1936, despite the on-going impact of the depressed economy, Charles A. believed that the greatest eras of the City by the

Bay were yet to come and that now was the time to take advantage of low rent and real estate prices.

See's had come out of the '20s with more than a score of shops on key shopping streets in Los Angeles, Hollywood and Pasadena. Growth had been slowed by the Great Depression, but still See's Candy Shops, Inc., had more than 30 shops by the mid-1930s, when Charles A. sent Edward G. Peck northward to San Francisco to found and build a subsidiary company that became See's Candies, Inc. He called Eddie Peck "a member of the See's family" and set up the corporate structure to make this a financial reality. Eddie Peck became President of the subsidiary corporation, then Chairman of the Board.

Charles A. was so enthused about San Francisco that he and Laurance went there on December 1, 1935 to negotiate the first two leases, leaving Eddie Peck to supervise getting ready for Christmas sales in Los Angeles. They leased space for a candy-making kitchen, a shop and offices at 160 10th Street, and a second shop at 1519 Polk Street.

Right after Christmas, Eddie Peck and his wife Marguerite went up to San Francisco, found a new home and by the end of November 1936 had opened 9 shops around the Bay area.

The shops on Polk and Chestnut Streets are still in their original loca-

tions. In 1939, Eddie Peck made See's Candies a participant in the San Francisco World's Fair in the same way that the company had supported the 1932 Olympic Games in Los Angeles. See's tempting displays quickly became one of the most popular attractions at the Fair, a "seeding" that would help open the Bay Area, Central and Northern California to future See's Candy Shops.

## Mary See: Still Smiling

Mary See's long life carried her into this year of the San Francisco World's Fair, but on August 24, 1939, her grandson Laurance A. released the announcement that "Mrs. Mary See, whose smiling face has for many years graced our candy boxes, died last week — in Gananoque, Ontario, Canada — and she was buried last Wednesday in Willowbank Cemetery..."

Mary See passed away at age 85. Her husband Alexander had died several years earlier and her daughter Mae had been living with her.

But Mary See has and will always be a cherished image in See's Candy shops, and her photo will always be the symbol on See's Candy boxes of Famous Old Time quality.

## The Years of World War II

As the 1930s passed into the 40s, (Continued on Page 5)



Dorothy Forbes

Along with all the artwork Dorothy Forbes created for See's Candies, she found time in her busy schedule of 1972 to design the See Breeze masthead.



One of See's award-winning floats in the Pasadena Tournament of Roses Parade of the '50s and '60s.



Turk Murphy

Music added another art form to the promotion of See's Candies in the '70s and '80s, when the late, great Turk Murphy and his jazz band kept toes tapping at See's shop openings from the Pacific coast to the Mississippi River. So many thousands turned out to hear Turk's jazz and sample See's Candies at the Embarcadero shop opening in San Francisco that the event was called "a happening not an opening." Turk is credited with the rebirth of traditional jazz.



Laurance A. See



Charles B. "Harry" See



The two grandsons of Mary See — Laurance A. and Charles B. "Harry" — with Miss Colorado at the 1965 opening of See's shop in Denver, the first See's Candy Shop east of the Rockies.





# War And Post-War

(Continued from Page 4)

World War II was already flaming in Europe. Then came Pearl Harbor. Scarcely a year later, on November 14, 1942, Alta T. Underwood wrote a poignant note to Eddie Peck: "Laurance has gone into service. He left at 7 a.m. and I felt sad to see him go..." Laurance's younger brother Charles B. "Harry" likewise was called into World War II military service, as were so many people of See's and their families. The Great Depression phased quickly into years of many other challenges to making and selling quality candies.

## Buy War Bonds

Sugar was rationed, and world supplies of choice ingredients often became difficult to obtain. Rather than compromise quality by using inferior ingredients, See's curtailed production, keeping shops open only a few hours daily, with not-to-be-forgotten lines of hopeful customers, often reaching around the block. Each customer was allotted only one pound. As soon as a shop ran out of candy for the day, the doors apologetically would be closed. Signs on the shop windows reminded customers they could always support the war effort by buying war bonds.

## Post-War Years

When the war ended in 1945, California was part of the national and world-wide economic boom. San Francisco had become a major ship-building center and world port, and

now was the site of the international conference that drafted the United Nations Charter. In Los Angeles, the population was zooming toward 2 million. The aircraft industry had taken off and the city had become a leading manufacturing, oil processing, shipping, air and land transportation, motion picture, financial and commercial center. People from around the nation and many other lands headed westward to be part of California's upswing.

## November 6, 1949

Laurance and Harry See returned to the company, with Laurance back in his position as General Manager. He was open to the idea of See's becoming one of the first local companies to use the new medium of television as an outreach for its familiar message on billboards. He felt that "Beryl by Candlelight", starring British songstress Beryl Davis, could say something about See's Candies and See's became sponsor of one of television's earliest and most gracious song shows, telecast on KTLA, first commercial TV station in Los Angeles.

New See's shops were opened in the same traditional style of Mary See's Old Time Candies, and then Charles A.'s health began to fail. When he died on Sunday, November 6, 1949, in his home at 262 N. McCarthy Drive in Beverly Hills, after a heart ailment that had become more acute over several months, the *Los Angeles Times*

described him as a man who had built one candy store "into a chain of 78 establishments employing more than 2,000..."

Laurance succeeded his father as president, and then began two decades which made him a beloved figure in the story of See's Candies.

## "Land Of Promise"

The year 1949 was also the beginning in California of what would become another significant chapter in the story of See's Candies, one that would span the company's greatest era of growth and once again show the kind of career horizons open to See's employees.

A young World War II paratrooper had just graduated from Kenyon College in Ohio and was now driving with his bride up the coast of California between Los Angeles and San Francisco, driving in a 1947 Ford V-8 Coupe that was a gift from the bride's grandmother. Their lovely trip up the coast ended with a view of San Francisco from Golden Gate Bridge that made the city seem "truly a land of promise."

That young couple was Charles and Mime Huggins, and there was a job opportunity in the near future that would always make Eddie Peck recall among his fondest memories the fact he had "hired and trained Chuck Huggins."

## The '50s & '60s

Meanwhile, the 1950s were an era of carefully controlled growth for

See's Candies under the leadership of Laurance See, who could unexpectedly pace a conservative approach to advertising and promotional expenditures with imaginative outreaches to build the company's image. He might feel that a new shop "had to stand on its own feet" after opening day media support. But he would at the same time make every New Year's Day of the '50s and '60s an occasion when a beautifully designed and flowered See's float would be part of the Pasadena Tournament of Roses Parade. It was viewed by many thousands along Colorado Boulevard and a nationwide television audience. Many of the See's floats were award winners.

A modest, humble man, Laurance listened patiently, then made the tough decisions that had to be made. One of his most important decisions tied See's to California shopping center growth. More new shops were opened in strategically located shopping centers, rather than in central business districts.

See's corporate report of March 29, 1960, shows how the company had kept pace with California's continuing population growth during the '50s.

Candy-making had already been moved into the two large and always modernized facilities still occupied by the company at 3431 South La Cienega Boulevard in Los Angeles and 210 El Camino Real in South

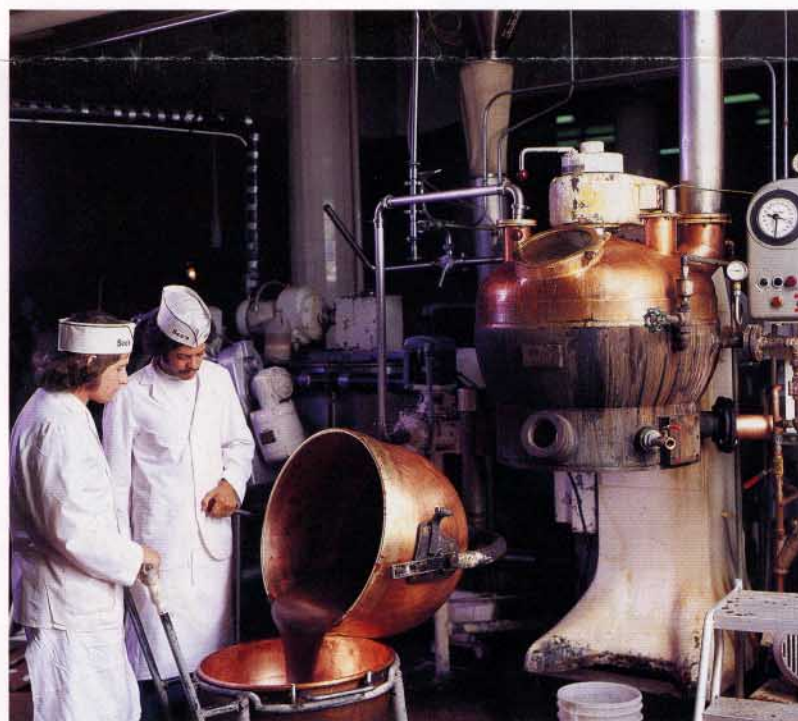
San Francisco. There was now a total of 124 candy shops, 75 in Southern California — 33 of them in the city of Los Angeles. Eddie Peck's Northern California marketing territory had grown to 49 retail shops, 25 of them in the San Francisco bay area. Some 500 sales people were working in See's shops and building the company image of quality service.

There were also approximately 500 employees making some 60 varieties in the tradition of quality that had begun with the first candies made on Western Avenue in Los Angeles. Latest equipment available in the U.S. and Europe, each piece specifically designed and manufactured to See's specifications, was purchased in order to enhance the candy-making process. But individual handwork by skilled candymakers was still the essence of producing quality candies.

Quantity Order and Mail Order had expanded in importance along with retail sales. The era of the "Easy Rider" driving a motorcycle cart had given way to See's own delivery trucks.

The family image also continued, as did the evidence of how employees could rise within the company. Laurance See was President and Director; Harry was Vice President and Director. Hugh Fry, the original "Easy Rider", was Secretary, Treasurer and Director; Alta Underwood was Assistant Secretary, Assistant

(Continued on Page 6)



The photos on this page were taken in the mid-1970s, when See's candymakers were combining the best of custom-designed equipment with the kind of work that can only be done by hand. In the foreground of the group photo are Bob Button (L) and Don Hawley, who then were the Production Managers in the South San Francisco and Los Angeles kitchens. Behind them are some of their top candymakers. The photos above and to the right show other skilled candymakers at work.





# Expanding Horizons...

(Continued from Page 5)

Treasurer and Director. Edward Peck and Forrest Jordan were two of the five Directors.

The '60s brought expanding horizons in many directions. The first See's Candy Shop outside of California was opened in 1962 in Phoenix, Arizona; its immediate success indicated the outreach of See's image.

By this time, the young Chuck Huggins was being given increasingly important assignments by Eddie Peck, and he was sent to Los Angeles in 1964 to discuss with Laurance See the possibility of opening a shop in Seattle, Washington. This was the year of Seattle's Centennial celebration. Laurance listened to the proposal, then agreed to send Eddie Peck, Hugh Fry, Chuck Huggins and Leasing Manager George Hoffman to find a prime downtown location in Seattle at "a flat rent and with an out-clause in case the shop doesn't succeed."

The location was found, the lease negotiated. Advertising tied in with the Centennial helped produce the biggest opening day crowd and sales results in See's history to that date.

Seattle was followed by a similar success linked to the Portland Rose Festival. See's then reached out to Salt Lake City and in 1965 to Denver, the first See's Candy Shop east of the Rockies.

In 1969, just twenty years after he had succeeded his father as president of the company, illness sadly and prematurely ended Laurance See's life. He was only 57. Employees and friends everywhere mourned his passing.

Charles B. "Harry" See took over the leadership and restored the momentum slowed during his brother's final illness. Eddie Peck had been preparing for retirement, and Chuck Huggins had come to top management under him. Harry soon announced Chuck's appointment as new president of See's in Northern California.

## Hawaiian Grandmother

The year 1970 was highlighted by the memorable opening of See's first candy shop in Hawaii at Thanksgiving time. The new shop was in Kahala Mall, out beyond Honolulu and the dramatic silhouette of Diamond Head.

Hawaii was ready for See's Candies. Japanese merchants had for years been buying the candies in San Francisco and Los Angeles, then marking up the price for retailing in their own Honolulu stores. The opening at Kahala Mall brought out long lines of excited customers eager to do business directly with a See's Candy Shop. Hawaiian musicians playing their guitars blended See's heritage into island tradition.

The Reverend Abraham Akaka, already a legend in his own time at Kawaiahao Church in the historic heart of Honolulu, blessed the opening to signal the parting of the flowered Maile Lei looped across the closed door. Among displays in the shop windows, another flowered lei was looped over a box of See's Candies and the familiar portrait of Mary See, who had now become an

Hawaiian grandmother.

In the tradition of all shop openings on the mainland, everyone entering the Kahala Mall shop was greeted with a piece of See's Candy. This festive ceremony set the pattern for all openings of future See's shops around Honolulu on the Island of Oahu.

Herb Cockett, who had grown up in Honolulu and graduated from the University of Hawaii, was the young Hawaiian real estate man who helped arrange the Kahala Mall lease. Soon after the opening, President Huggins went back to Honolulu with his 12-year-old son Chip and persuaded Herb to come to work with See's. Herb was willing and soon came to Los Angeles to begin the career that has been so helpful to See's.

## "Profound Changes"

Harry See had other plans for his own life. A man of many intellectual interests, he was a world traveler, hunter, fisherman, yachtsman and private pilot. He also wanted to try his own vineyard. So he felt the time was right to offer for sale the company in which his family still held the majority of stock.

By this time the success story of See's Candies was nationally and in-

ternationally known. Several strong bidders immediately showed interest. Harry See asked Chuck Huggins to help meet with them over a period of several months.

Negotiations finalized in the meetings with Warren E. Buffett and Charles T. Munger. They shared with See's a common interest in "delivering an unbeatable product to a happy customer," as Warren Buffett expresses it on Page 8 of this issue. Charles Munger writes in his report of the negotiations on Page 8 that "it was agreed upon as part of the transition arrangements that Chuck Huggins would thereafter be Chief Executive Officer."

The negotiations were concluded as 1971 ended, and officially recorded on January 3, 1972 with the purchase of See's by Blue Chip Stamps, a company affiliated with Berkshire Hathaway, Inc.

The first issue of See Breeze was published in June 1972, and President Huggins wrote in his Skipper's Corner column:

"This first issue of See Breeze comes to you after what must seem like a time of the most profound changes in the 51-year-history of our company. . .

". . . Yet there is even more that has not changed. We will not change our

personal relationships with our employees and our customers. We want to go forward without losing any of the vital ingredients that have gone into the making of See's Candy."

These words remained guidelines for the '70s and '80s, the decades of the greatest growth for See's.

They were also decades of continued growth for Berkshire Hathaway. Today, in this 70th Anniversary year of 1991, Berkshire Hathaway is one of the most successful and respected of U.S. corporations. Its stock holdings range from See's Candies and Coca-Cola to the American Broadcasting Company/Capital Cities, publications like the Washington Post and Buffalo Evening News, plus a planned diversity of profitable insurance, banking, savings, manufacturing and retailing enterprises.

## Chinese Grandmother

In 1976, Mary See became a Chinese grandmother when the first See's Candy Shop opened in Hong Kong. It was opened by Jim Trevor who had been a See's landlord in his Westlake Shopping Center in San Mateo County not far from San Francisco. After he sold his shopp-

ing center and became bored with too much golf, he started talking with President Charles Huggins.

Their talks led to the opening of the first Hong Kong shop. Carol Henderson, who had retired as See's Sales Supervisor in South San Francisco, took off across the Pacific to train Mary Jo Scott and Vivien Lee; they were to be co-managers of the Hong Kong shop.

From this beginning, Mary Jo Scott brought her life and career to San Francisco, where she is Marketing & Sales Director for See's under Vice President of Marketing Dick Van Doren. By this time in our story of 70 years, it should be no surprise that something like this can happen when you start working for See's Candies.

## New Horizons

Then in 1977 a grand scheme was developed. It began with complete marketing studies of major cities including Houston, Dallas, San Antonio, Austin, St. Louis, Cincinnati, Indianapolis, Minneapolis/St. Paul. The St. Louis/Missouri market looked most promising, with the Greater St. Louis area as a hub distribution point. St. Louis lies within reach of a number of major cities including

(Continued on Page 7)

## See's Management Team: 1991

Every person on See's 1991 staff management team under President Charles Huggins started, as he did, at beginning positions within the company and worked themselves upward with dedication to quality and service. Their present positions show what new employees joining See's have an opportunity to achieve.



Herb Cockett  
Director of Real Estate



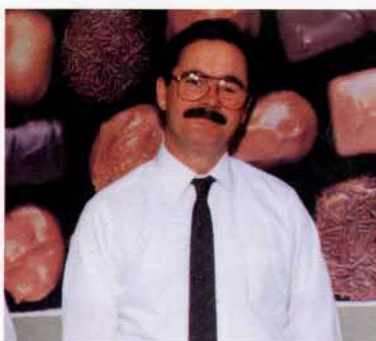
Steve Eddy  
Director  
Shop Construction & Maintenance



Eileen Duag  
Asst. Product Support Director



John Lowney  
Product Support Director



Greg Ward  
Director of Process Development



Jane Wells  
Los Angeles Production Manager



Gary Hauer  
Production Manager  
South San Francisco



Ben Ybarra (L), Shipping Department Director in South San Francisco; and his son Patrick, Shipping Department Manager.





# Shop Openings — And Closings

(Continued from Page 6)

Memphis, Louisville, Cincinnati, Indianapolis and even Minneapolis/St. Paul. In 1978 the first St. Louis shop opened, followed by five others.

In the late 70's Texas and Colorado both looked ripe for expansion. The upcoming economic downturn was not yet visible to See's marketing team. Within just a few short years eleven See's shops were operating in Texas and eight within the Greater Denver and Colorado Springs area.

Meanwhile, expansion continued closer to home. Arizona, Nevada, Oregon and Washington as well as California all continued to show steady growth and increased consumer appreciation of See's products. The Arizona and Greater Seattle

areas proved to be especially profitable for See's shops.

That was not to be the case, however, in Texas, Colorado and the Greater St. Louis area. The year 1983 brought great economic decline to Texas and Colorado, largely based on energy related down-trends, combined with overgrowth in those areas.

In St. Louis it was a different matter, a combination of static economy, plus competition brought about by acquisition of the local Mavrakos Candy Company by the Chicago-based Fannie May Candy Company. Fannie May's pricing policies were at considerably lower levels than See's and that competition diminished all the gains See's shops had made

over the previous ten years.

With the strongest growth possibilities created by a greater influx of people into California, Washington and other Western States, See's had to reappraise its decision to expand in Texas, Colorado and Missouri. Closure and withdrawal back to California became an obvious next step. This was accomplished between 1986 and 1991, which finds no shops in the Greater Missouri Area, only one in Colorado and the last remaining two due for closure in Texas by the Summer of 1991.

But the lesson learned had been a good one and strongly indicated that

concentration on the operation of a highly profitable, regional retail company made a lot more sense for See's than going too far in an attempt to broaden horizons. With millions of people moving to California and the West each year, what had happened was that the market began to come to See's and the necessity for the reverse became almost unnecessary.

See's today continues to strengthen its market share in the Western States and Hawaii, while continuing the Hong Kong operation through the fine management of Jim Trevor and Vivien Lee.

The composition of the consumer base in the Western United States continues to change dramatically. Particularly in Southern California, the strong increase in the numbers of Hispanic people and those of Oriental background continues. This is also true of the San Francisco Bay Area and the Greater Seattle Area. These changes will require See's to refocus large parts of its marketing attention. The question of how to influence this new population to buy See's products in the same way the pre-existing population has and does it a great challenge for See's in the years ahead.

## The Next 70 Years

A high priority for marketing during the beginning of the next 70 years will be the Hispanic people who contribute so much as employees and customer. Latest population studies show that people of Hispanic heritage now make up nearly 26 percent of California's 29.8 million population.

The many other top priority programs include expanding quality controls and sales training for ever improved customer service. See's Safety Program for protection of employees has been expanded to new evacuation systems for coping with a major fire or earthquake. Environmentally friendly packaging materials are increasingly emphasized. New community service programs are being developed, along with responsiveness to customers wishes which have kept in production pieces of candy like the Marsh-mint and have helped maintain shop locations.

All of these developments are watched during See's 70th birthday year with interest and approval by Charles B. "Harry" See and Edward G. Peck. Eddie Peck had just celebrated his 87th birthday and said: "Looking back is fine but give me something more to celebrate on my 90th!"

## See's Management Team: 1991

(Continued from Page 6)



Dick Van Doren  
Vice-President/Marketing



Mary Jo Scott (L), Director of Marketing; Carol Barnes, Retail Sales Manager, South San Francisco; and Madeliene Bobbitt, Retail Sales Manager, Los Angeles.



Jim Tremont (L) Corporate Secretary; Ken Scott, Comptroller



Dave Harvey  
Director of Customer Relations



Chip Huggins, Director of Purchasing, and Suzanne Holmes, Purchasing Manager.



Donna Arevalo  
Director of Human Resources

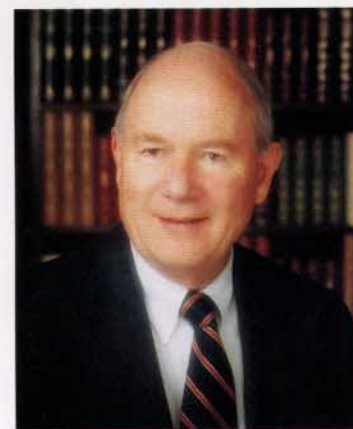
## Forty Years of Business Education... And Still Learning

by Charles N. Huggins

President and CEO, See's Candies

I remember April 23, 1951 quite well because it was the day on which I first reported for work at See's Candies of Northern California.

It was a bright sunny day and Spring was definitely in the air as I approached See's headquarters building and kitchens at 18th and York Streets in San Francisco. I remember it well because it was for me the start of a grand adventure, education and, if you don't mind my saying so, perhaps a love affair with a business that was to become a most important part of my life and that of my immediate family.



CHARLES N. HUGGINS

I had been hired by Edward G. Peck, then President and General Manager of See's Northern California Division, to train as an Administrative Assistant and to learn everything I could about the details of how See's Candies ran its business. Fate had brought me together with Mr. Peck because of a series of circumstances.

In the Spring of 1950, Mime and I purchased a small house in Menlo Park for almost the entire amount of our savings of \$15,650.00. It was a new house, ranch style with a large oak tree in the backyard, which was

unlandscaped since we had run out of money and we had made the decision to do that ourselves. Our next door neighbors turned out to be Pat and Dick Balch and their young children, Tim and Pam. They were native Californians and Dick held the position as Stanford University Dean of Men. What happened so soon after our meeting helped to bring our families together in a life-long friendship.

I had a job as a salesman with a company called Monarch Marking Systems, a job I'd taken as a means of bringing Mime and myself to the San Francisco Bay area in 1949. But I became strongly dissatisfied with the ethics of the people to whom I was reporting and decided to find a different job. That was when Dick Balch arranged for me to be interviewed by the Stanford University Job Placement Center.

This led to interviews with three companies, one of them See's. Dick told me See's would be a splendid opportunity to become part of a growing, 30-year-old company built on quality, high ethics and intelligent business practices. I felt the same way after talking with Mr. Peck.

I still call him Mr. Peck forty years later. He was my mentor, and shared



(Continued on Page 8)



## Forty Years . . .

(Continued from Page 7)

knowledge he had gained over so many years in the candy business. No young man could have had a better teacher. Mr. Peck had a natural talent for understanding numbers, costs and all the business fundamentals Ben Franklin had written about. Above all, he practiced and preached honesty and integrity, and why a handshake could be as binding as a legal contract.

In the very first year of my experience at See's, Mr. Peck gave me an opportunity that had so much to do with my acceptance by the See Family. He assigned me to run the Packing Department in San Francisco, which meant working with a truly remarkable person, Anna Rizzo, Supervisor in that Department. She knew everything anyone could possibly know about assembly line operations, but had never before had the opportunity to put into practice all her ideas for improving productivity and quality. I spoke to Mr. Peck about this, and I was given the authority to run the Packing Department with Anna Rizzo, reporting the results to him each day.

Within the first week of Christmas production, productivity numbers and quality of the packs improved dramatically. Mr. Peck reported our success to Laurance See, who began increasingly to treat me as a member of the family. When Harry See was preparing to sell the company after Laurance's death, he recommended me to be the President for the new owners, Warren Buffett and Charlie Munger. They gave me the opportunity in what was to become a whole new world for me of managing the entire company.

One very important element existed at See's - that privilege of working with and being surrounded by people in our organization motivated by the same philosophy, a common desire to learn every single detail of not only their job but what made the company strong and what could make the company weak. The value of relationships built upon honesty and integrity which involve associates in all departments of the company have meant so much to me over the years. People like my long-time friends Hugh Fry, Jack Stirling, Marion Noble, Carol Henderson, Marion Zich, Don Hawley, Alice Buckingham, Marie Hyland and so many, many others who are part of See's history and who have done so much to further my education in this business by their example of leadership. That is true as well in relationships involved in working with so many suppliers over the years. People who headed businesses in agriculture or in

## "Long, Happy Experience"

By Charles T. Munger  
Vice-Chairman of the Board  
See's Candies/Berkshire Hathaway, Inc.

At the end of 1971, Blue Chip Stamps purchased See's Candies after negotiations with Charles B. See. It was agreed upon as part of the transition arrangements that Chuck Huggins would thereafter be Chief Executive Officer.

Charles B. See and the entire See family conducted negotiations in an exemplary fashion, showing high ethics and professionalism.

They obviously cared who purchased the work of two generations of the See family. They also cared who continued a relationship with their employees, suppliers and customers.

They got every penny it would have been possible to get from us, because we had never before paid such a high price for a company.

It seems foolish now, but we were then appalled by the premium we had to pay above See's book value and price/earnings ratio. We were finally induced to step up to an unprecedented price by the quality and acceptance of See's product and the quality of its people.

The event was important to the future success of Berkshire Hathaway, Inc., as successor by merger with Blue Chip stamps.

Not only did the purchase work out well in its own right, but our favorable experience helped us "pay up for quality" more and more as the years unfolded. And, so far, these later purchases have also worked out well.

All in all, the See's purchase was very significant and has been one long, happy experience.

We are proud to be associated with See's.



Charles T. Munger

## . . . and Still Learning

packaging work in the same way the See Family did and we do today.

Now I find myself surrounded by outstanding people, both at Administrative Staff level and in all departments of the company in all sorts of job functions. Candy makers, sales people, accountants, packing department, shipping, real estate, all the functions that the company performs are staffed by people with the same drive, dedication and understanding of our basic philosophies of doing business. The fact that Warren Buffett and Charlie Munger even more strongly believe in and preach the basic See Family philosophies of business has strengthened our opportunities for future success.

Many of our top Administrative Staff people are pictured on these pages. One of them will be selected, and will eventually succeed me as President and CEO in a number of years down the road. In that interim period, I will work closely with my successor to transfer as much philosophy and knowledge as possible. Perhaps in my mind the essence of See's success and that feature which makes us different really lies within our customer relations. It lies in the strength of our ability to provide customer satisfaction and continue that satisfaction over many, many years. It is this very tie with our customers and the unique nature of it which I feel makes us different.

As 1991 begins See's 70th anniversary year, we have 210 Retail candy shops and 18 Quantity Order stores in key locations, plus the resources of Kiosks and Carts to provide additional service during peak holiday sales periods. Working closely together, we look forward to the coming decade of continued growth, above all in quality and service.



## "70 Years From Now. . ."

by Warren E. Buffett  
Chairman of the Board  
See's Candies/Berkshire Hathaway, Inc.

It's been nineteen years since my partner, Charlie Munger, and I decided to purchase See's Candies on behalf of a company that was later merged into Berkshire Hathaway, Inc. At the time of our purchase we made another decision: We installed Chuck Huggins as Chief Executive Officer of the company. These two decisions are among the very best that Charlie and I have ever made. In fact they look better every year.

In 1972 we already knew that See's was a very special company. After our purchase, however, our appreciation grew with each passing year. We have observed an attitude in all areas — purchasing, manufacturing, packing and sales — that forever focuses on delivering an unbeatable product to a happy customer.

And a happy customer is what our business is all about. Good leases, the latest in production equipment, the catchiest of advertising, etc. are all meaningless unless our customer leaves the shop feeling delighted with his experience of the previous few minutes. Only two things will guarantee this: truly superior candy and the friendliest of service.

I frequently stop in our shops and because I'm unknown to the sales people can observe how the ordinary customer is treated. (Now that the See Breeze is printing my picture, my cover will be blown — maybe I can grow a beard!) What I've seen can be summed up in four words: *a passion to please*. As long as that spirit prevails throughout the company, I know that our future will be as secure for the next 70 years as it has been the past 70. There is simply no way that a business can do other than prosper when those associated with it exhibit such a single-minded devotion to the happiness of the customer.

See's will forever be a part of Berkshire. I promise you that we will conduct our affairs at the parent company in a manner that will allow us to support any program that will enhance the success of See's. There are only fourteen industrial companies in the United States that have a AAA — the highest — credit rating bestowed upon them by Standard and Poor's. Berkshire Hathaway is one of them. Because of this, See's will always operate from a position of strength, able to take whatever moves are needed to insure the long run vitality and prosperity of the business.

The people currently with See's have our past associates to thank for our present good fortune. In effect, these predecessors planted trees whose shade we now benefit from. I predict that 70 years from now your successors will express similar thanks for your efforts of today.



Warren E. Buffett

SEE BREEZE has been published since its first issue in 1972 by Frank & Elfriede Ryhlick, and in 1991 received its fourth award from the Greater Los Angeles Press Club as "Best Internal Business Publication." Under their professional name of Riley they are travel journalists and Travel Editors of Los Angeles Magazine, part of Capital Cities/ABC Publishing Companies.