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Interview no. 1532

Joe A. Rosales

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THE UNIVERSITY OF TEXAS AT EL PASO INSTITUTE OF ORAL HISTORY

Interviewee: Joe A. Rosales

Interviewer: Homero Galicia

Project: Hispanic Entrepreneurs Oral History Project

Location: n/a

Date of Interview: February 17, 2009

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Transcriber / Summary: Vanessa Pantoja

Joe A. Rosales grew up in El Paso, Texas on the 1100th block of Missouri Street, which he calls “the barrio”. His father was a carpenter from Durango, Mexico and his mother was from Chihuahua, they had a total of 10 children including Joe. Rosales was a graduate of El Paso High School in 1957, the same year he opened his own concrete company. All throughout high school Rosales considered himself an entrepreneur, from collecting bottles, having a newspaper route, and washing cars. Since his father owned his own concrete business, Rosales learned business values and practices from his father. With his own business, he began to pour concrete slabs for houses, realizing there was little profit, Rosales then purchased a curb and gutter machine to begin commercial work. Rosales then changed the name of his company after facing discrimination for being a Mexican American business. He explains that some of his jobs were given to Anglo owned companies; instead of the Mexican American owned companies or Mexican companies were paid significantly less for jobs. So, the name was changed to J.A.R concrete incorporated. Rosales created business connections with other El Paso business men such as Jim Shelton. Shelton offered Rosales financial credit, and became Rosales’ mentor. Through Shelton, Rosales obtained Texas highway contracts and even worked airport runways across Texas. Rosales also discussed the importance of having experience when working for a business. Even though his son graduated from Texas A&M, Rosales only hired his son after he had received experience working in a company. Rosales also says that being a Mexican American contractor and business owner was the biggest challenge he faced. He even recalls racism taking place at a contractors meeting, where work was being refused to African American contractors. Rosales stood up against it. Rosales was also the only Mexican American curb and gutter contractor in El Paso during the 1970’s. Rosales also discusses his chapter 11 bankruptcy, but was able to pay off his debt within four years. He credits God, hard work, and friends for getting

him out of debt. He also discloses that businesses should be fair and honest. Being a religious man, Rosales discussed the importance of giving back to his community through churches and organizations. Rosales no longer contracts work himself, but left the company under the direction of his son.

Length of interview 70 minutes

Length of Transcript 29 pages

Name of Interviewee: Joe A. Rosales
Date of Interview: February 17, 2009
Name of Interviewer: Homero Galicia

This is February the seventeenth, 8:30 in the morning, this is Homero Galicia with Mr. Joe Rosales. [This interview is part of the Paso del Norte Entrepreneurship Oral History project.]

HG: Mr. Rosales, thank you very much for giving us your time, and I appreciate your telling us your story. So I want to ask you if you could begin by telling me where you grew up, what schools you went to.

JR: I grew up in the 1100 block of Missouri Street, mostly a barrio type of environment. It was a barrio—some gangs and people that used to do marijuana and stuff like that. And I went to Lamar School. After Lamar School, I went to El Paso High School.

HG: And you graduated from El Paso High what year?

JR: [Nineteen] 57, I think.

HG: And your father, what was his line of work?

JR: My father was a carpenter. Actually, he started as a janitor right there at the Benner Building. He took up carpentry there, like fixing doors and doing carpentry work in there. And then he stayed there for about fifteen [or] sixteen years, but since he had a big family to raise, he joined the carpenter's union and became a carpenter and he was a very good carpenter.

HG: How many brothers and sisters do you have?

JR: I have four brothers and five sisters. We're ten together—I mean, ten in total in the family, ten total.

HG: And your father, where was he from?

JR: My father was from Durango, Mexico, and my mother was from Chihuahua, the state of Chihuahua, and Santo Tomas, Chihuahua in the mountains where the Indians lived.

HG: Did they meet in Chihuahua?

JR: No, they met here. My father came first, then my mother. And they met here in El Paso, and they got married at a very early age. They were seventeen [or] eighteen years old when they got married.

HG: And what was your father's name?

JR: My father's name was Luis Figueroa Rosales.

HG: And your mother's name?

JR: My mother's name was Martha. Her maiden name was Pedregon, Martha Pedregon Rosales.

HG: And so the only house you remember growing up was there on Missouri, at the corner?

JR: That's basically the house I was raised in. It was a barrio. There was families that had anywhere from five to ten kids, maybe twelve kids, and we were all like a family out there.

HG: Did you grow up speaking Spanish or English?

JR: Nothing but Spanish. In my house there was no such thing as speaking English because my mother and my dad would not like that, so we grew up speaking Spanish. In fact, I got kicked out of grade school a couple of times for speaking Spanish because my English language was not very good.

HG: By the time you went to El Paso High, though, you had English down pretty good?

JR: Well, to a point, I did, yeah.

HG: You're not the oldest, you're in the middle?

JR: No, I'm the seventh kid in the family.

HG: So, after high school, what did you do?

JR: My father had a small construction company and I liked doing work in the concrete. He'd do a little bit of footing, I mean, a little bit of the slabs and walks and what not. Actually, I liked the smell of concrete. So, I told my dad one day that I'd like to go and work with the concrete people and he says, "Fine." And then after a few years of helping my dad there, when I got out of high school, I opened up my company under the name of Joe A. Rosales.

HG: What year was that?

JR: That was 1957.

HG: What year did you graduate from high school, again?

JR: [Nineteen] 57.

HG: So this was right after you—

JR: Right after—well I've had experience already, Homero. I had experience working with my dad and when I told him he said, "*Que te vaya bien, hijo*. It's hard out there," but he said, "you want to do that, you want to do it? I said, "Yeah."

HG: And when did you decide to do a business?

JR: I don't know. I was always like an entrepreneur. I always would be picking up bottles when I was a young kid, picking up hangers from trashcans where people throw them in there. And I think for every bottle we picked up we get a penny and then for a coat hanger, we used to get a penny, also. So sometimes my daddy would leave and not leave any money for my mother to buy something to make for dinner, or for supper, and she would ask me, so I'd go out there and hustle and sell bottles and hangers. And I'd go down to Blount's Market and I used to get three pounds, five pounds of meat for a dollar. So that started my whole thing. And then, I used to have three paper routes, and I cut it down to two because I started playing football. And my brother, Jaime, would help me deliver the afternoon papers because I stayed late practicing, and I'd do the morning route. And then we cut it down to two routes. And then I used to cut grass. The same people I used to deliver the paper to, I would go out there and cut the grass during the summertime, and do odds and ends like this. At one time, in point, I used to wash the cars at the Plaza. I think it's the Plaza Garage—where all the rich people used to take their cars out there. And it was like in the basement. And they'd give us fifty cents per car to wash it. We'd wash anywhere from twenty-five to thirty cars a Sunday. So I was always busy doing, working for myself.

HG: And when you delivered papers, how early would you wake up in the morning?

JR: Right about five o'clock, and then we started delivering at six o'clock, and by seven o'clock, we'd get through. Seven [o'clock], seven thirty, we'd get through because I bought a scooter, a little Allstate scooter. My father signed for it and I paid [for it]. The payment was twelve dollars a month and I paid it. I think they had thirty-six months and forty-eight months. I think I paid it in thirty-six months. And that's why we used to get—deliver the paper a little bit faster because of the fact that we had a scooter, Allstate scooter. My brother and I would hop on that scooter and—

JR: This is while you were in high school?

JR: Yeah, I was in high school. I was about fourteen years old.

HG: When your father had the business, did he have a lot of employees, or just people that he'd hire.

JR: No, he had about five, six employees that he used to—

HG: So he'd already been in business a few years when you graduated. So you saw the business, his business operate?

JR: Right. Of course, his business was very, very small, but it was enough to feed the family and pay his bills.

HG: So when you started your business, you decided to do concrete work?

JR: I decided to do concrete work and I went into forming slabs—concrete slabs for houses. At one time, I had maybe five, six builders, but I could never make money off the builders. It was very, very hard. I could never see a profit out of them. I just probably robbed Peter to pay Paul until I decided to leave them and start doing commercial work.

HG: Were they just not paying you what you needed?

JR: They paid very cheap, not what I wanted, but then they said, You know we got twenty slabs out there. We got thirty slabs out there. But the more they think they tell you that they got, the more you get in the hole because you're not getting a penny more on those slabs. So you actually get further more in the hole and I figured it out. I says, "I can make a hundred slabs and I won't make any kind of profit." So I quit doing the slabs. And back in 1970,'71, I bought the curb and gutter machine. There was another guy that bought a curb and gutter machine, another company that bought a curb and gutter machine, but they couldn't make it work. So somebody told me about a curb and gutter machine in the San Jose area, San Francisco area. I hopped on a plane and went out there to see it and I spent the week out there seeing this guy's operation, a guy by the name of Luis Aparicio, and he had a swift operation. And from there I came back and I bought the machine he had, called an Easi-Pour. And from that point on, I started doing curb and gutter work, and that's when my company started really going up.

HG: So how long did you pour slabs?

JR: For about five, maybe six year.

HG: And your company grew? I mean, you had employees or—

JR: When I was doing slab, I had maybe about fifteen, twenty employees. Then when I bought the curb and gutter machine—I had some forms which I used to use. I had two hundred feet of forms and, of course, it wasn't enough because I had picked up a developer by the name of Mickey Schwartz, International City Developers, and he gave me a lot of curb and gutter work. So when I was trying to pick up work, it was through the grace of God that he came by and told me one day—because I used to go out there persistently every day, every week,

practically, and I says, "Mickey, let me do some of your curb and gutter work." Well, he says, "Well, McMillan is doing it for us." McMillan and Vowell Construction Company, at the time, were the biggest there was. And I kept on and on and one day he called me. He said, "Joe, I got ten thousand feet of curb." I said, "ten thousand feet of curb?" And I had forms, but the funny thing about it is those forms, I only had two hundred feet of forms, but I would put a chemical on the concrete that's called calcium chloride,[cell phone rings] which makes the concrete dry very fast. And I was using about half a percent during the summertime because it would give me—I would pour it, and within an hour, I could take the forms off and use them again, use them again. So I would pour maybe a thousand,[or] twelve hundred feet a day. And when Mickey would come, Schwartz, the guy I was doing the work for, he says, "Hey, you only have two hundred feet of curb." "Oh," I says, "I took some other forms somewhere else." But it was the only thing I got. So, at the time and point, he came up, when he gave me those ten-thousand feet, that's when I went out there and bought the curb and gutter machine because before I knew it, we had about six hundred thousand feet of curb to pour. And that's when El Paso was really growing in the early sixties and early seventies. And that's what really got me going.

HG: So you started your company as Joe Rosales?

JR: I started the company as Joe A. Rosales and very proud of my name because I thought I was really going ahead and doing something. But it happened to me one day that I went out there to pick up a set of plans from this company that called me in the morning, and I went, I said, "I'll be there," and I got there about fifteen, twenty minutes later. When I get there, the guy sees me and tells me, "Who are you?" I said, "I'm Joe A. Rosales." And the guy says, "We just gave the job away." I said, "You did?" I said, "You just called me this morning." Well, I figured it out. I was a Mexican and my last name, so he said the job was given away. So I went out wondering why and I said, "Well, heck, the thing is, it's my name and I'm Mexican-American." So I stayed there outside his office and here

comes another guy, another competitor—Anglo guy—by the name of Jansen. And he goes in there, comes out two minutes later with a set of plans and specs. I got out of the truck and asked Jansen, “When did they call?” He said, “They called me this morning.” I said, “Did they tell you that the job was already—” He said, “No.” Okay, I figured it out. I went home and made a change in my company name. Instead of putting Joe A. Rosales, I put JAR Concrete, Inc. So in the future when I would go out there to pick up plans from other companies and they asked me, Who are you? I says, “I’m the estimator for JAR Concrete.” Boom; here’s the plans, here’s the specs, give us the price. So that’s where the JAR name came in, because of the discrimination that was going on at the time that I started my business.

HG: Can you talk a little bit about that?

JR: Well, there was a company that would give work to some of the Mexican contractors because they would take advantage of the situation that they were Mexican-Americans. And the price, they can just give them anything that they want out there, price-wise, and they would take their price. I had a cost that I could figure out, that if I do it at this amount of price per square foot or linear foot, because a curb is done on a linear foot basis and flat work, like slabs, is done on a square foot basis, I had a cost because I sit down at night and figure out my rebar, my concrete, my forms, my labor, pour and finish and my overhead. So it took me some time to figure it out, but I figured it out. So when I bought the curb and gutter machine that I left all the slabs away, I mean, I didn’t do any more slabs, I concentrated on doing curb and gutter work. They would try to cut me and says, Look, we’ll give you so much. And I would just set my foot and says, “Nope. I want this and if I can’t do it for this, I don’t want it.” The fact is I had the upper hand because I could go out there and pour three thousand feet of curb in one day, opposed to three thousand feet by forms in a week. So what I did in a week with forms, I could do in a day with my curb and gutter machine. And probably this is just a business practice that people always want to cut, you know,

[they will say,] Give me the best price, or Somebody gave me a better price than this. So I took the position and the stand and said, "Okay, well give it to the other guy." So a couple, three to four days later, they'll call me up, "Joe, when can you start the job that you priced," and they didn't want to give it to me. I said, "Next week. I'm full right now and I can't do anything this week—until next week." They said, We'll wait for you. But I did stand on my feet, and I stood my ground and told them, "This is the price. If you want service, you gotta pay for it." And since I had a curb and gutter machine, the first or the second curb and gutter machine in the city of El Paso, I was the most successful concrete contractor at that time and point. Maybe two years later, three years later, there was another curb and gutter machine. And today I think there's got [to be] maybe ten, fifteen curb and gutter machines in the city of El Paso. At one time and point, I had three curb and gutter machines, and then I cut it down to two because the fact was that at one time and point, the developers would give the dirt work to a dirt contractor, the utility work to another contractor, and the curb and gutter to another contractor. So at one time and point, I had control of the curb and gutter business. And I say control, I had maybe , 50, 60 percent of work I was doing in El Paso with the curb and gutter machine, maybe 70 percent, maybe more than 60 [percent]. But, at one time and point, the industry changed. They started giving the packages, like the dirt, the utilities, the curb and gutter work, in a package. So they kind of cleaned me out. I would do very little curb and gutter because—well, back then if I couldn't do it for the developers, then I would go to the guy that got the contract on that certain subdivision and I would ask him, I'll give him price of the curb and, [he would say,]"Well, you gotta cut it. You gotta do this." So it was a hassle. So my son came into the business a few years later and he started utility work, and through that way we gained a lot of work with curb and gutter machine again because my son would bid the curb and gutter, would bid the utilities, would bid everything turnkey. And some jobs had maybe twenty thousand feet of curbs, some jobs have maybe five thousand feet of curb, but we started gaining a lot of curb and gutter work this way because now we could package our stuff together and put it under. But it was a hassle from the

beginning, and today it's not a hassle that way, it's a hassle with competition. Some guys come in, and bid the jobs low, and they can't get through, and they go bust on the job and they just take the opportunity away from the people that can do the job.

HG: How much did that first curb and gutter machine cost you?

JR: The first curb and gutter machine cost me \$35,000. It was a lot of money, but I seemed to have good friends along the way. I had a guy by the name of Jim Shelton and I had another guy by the name of Jack Guynes. He used to own Guynes Printing, but Mr. Guynes and Jim Shelton became friends. Jim Shelton was a big entrepreneur here in El Paso. He owned Cashway Lumber Company. He owned GMC. He owned apartments. He owned a lot of land. He was like the Howard Hughes of El Paso. And he got a liking to me and they financed my first curb and gutter machine. They cosigned for me at the bank. And I paid it off and bought the second one by myself because I'd already established credibility at the bank. So they financed the machine. I financed the second machine by myself through paying the first curb and gutter machine that Mr. Shelton had cosigned for me and that's the way it went.

HG: How else did Mr. Shelton help?

JR: Mr. Shelton was a guy that his word was his money. In other words, when he told you something, he was a unique businessman. He was not like your average businessman. He would help you and he would ask you to buy the materials from him, whatever. He owned Cashway. He owned El Paso Sand. And the funny thing about it—the way I knew Shelton—is that one day as I was pouring slabs and ordering the materials and two by fours, he had just bought out—this is back in '70, '71, '72—he had just bought El Paso Sand out. El Paso Sand was owned by a guy by the name of Perry Crawford, and he made a lot of money when he had El Paso Sand and Gravel, which is with Redi-Mix Company. And Shelton

and Mr. Guynes bought the company out, both of them. So one day I go to buy/order some material and the guy says, "Mr. Shelton wants to talk to you." I said, "Mr. Shelton wants to talk to me?" He says, "Yeah." I said, "The owner of Cashway?" He says, "Yep." So he's out there in his office, facing me, and he was waving his hand like, "Come over here." And the guy says, "Oh, there he is. He's calling you." So I went to him. He says, "I'm Jim Shelton," [he asked,] "Joe Rosales?" I says, "Yeah." He says, "You buy a lot of things here cash and why are you buying cash?" "Because," I said, "I don't have credit." This was a few years back. And he says, "I'll tell you what, I'll give you credit. Okay, you can pay once a month." And my bill was pretty high buying mesh wire, rebar, [and] lumber, for the slabs. And he said, "I'll give you credit and once a month you pay me." I said, "All right." He said, "But I ask another favor of you." I said, "Yeah, what is this?" He says, "Where are you buying your concrete?" I said, "I'm buying my concrete from Thomas Redi-Mix or Val Material." And they were competitors. He said, "Well, we just bought El Paso Sand. Would you consider using us?" I said, "Well, if you give me credit here I would." So right there, we established a business relationship that went on until he died. He was very helpful to my business. He helped me financially and, right here, the land that I have here, the land that my building sits on today, I made a deal with him one day on the land. I wanted to buy it and I went to him and I told him, "Jim, I want to buy a piece of land so I can set up my office and my construction yard." He says, "Fine." He said, "What do you want to do?" Well, I came up with a little theory. I said, "How about giving you fifty cents a yard on every concrete yard I buy and I'll pay you back that way." He says, "That's fine, whichever way you want to do it. If you want to cut it to twenty-five cents a yard, that's fine." I said, "No, fifty cents a yard is good." So every month on my bill he put fifty cents on every yard I buy. He paid the land off and brought me a title to my land. I said, "No, no, no, I don't want the title because I haven't paid for it." He said, "No, no, no, here. You want to build on it, you can build on it." Because commercial, you cannot build anything on commercial until you pay it, and that's the way it works. So he says, "You want to build something, here. Here's the

title and the deed and everything.” I said, “Well, my God,” I said, “Okay.” And within six months, I paid him—the land here cost me, then, maybe eighty (eighty-eight??) cents, ninety cents a square foot. I paid about \$35,000, \$38,000 for this land and I paid it off in about six months. But that was a maneuver that I did so I wouldn’t have to sign a note and pay interest on it because he was very conscientious of helping people. And when he died—that man died, we lost a great guy in El Paso because he must have helped maybe 80 percent of the people here, the contractors. Of course, he was a big man in the industry, like he had the Cashway, and he had El Paso Sand. So he would bond a lot of people. He bonded me, too. He signed and cosigned bonds for me where I needed a bond. And that’s the way he established his business in El Paso. He’s gotta be one of the wisest men I’ve ever known because even Chuck Foster and Mickey Schwartz got into financial problems. And the way he went out there to get his business, because he couldn’t give them anything because he was a competitor, but they’d give the work to Vowell. They went up there to Jim Shelton; he said, “Okay, I’ll tell you what. I’ll loan you the money that you needed,” and it was in the millions. He says, “And let me do your work and you pay me back with work.” So he went out there, did a deal with Mickey Schwartz and Chuck Foster that owned International City Developers because they got in a financial crunch and the way he went out there and took over the business is by financing—well, actually, doing their work, their asphalt work and dirt work, and they paid him back the money that way. So he was a smart guy.

HG: So he was a mentor to you, as well?

JR: He was my mentor. I could say he was my mentor because Jim was not a prejudiced guy. He was a unique guy. I mean—

HG: Was there a lot of prejudices around at that time?

JR: There was, there was prejudices. That's why I changed my name, like I said, from Joe A. Rosales to JAR Concrete because there was still, and there's still is some. I mean, you can still see it today, and I think there'll always be.

HG: You were talking about—you were doing the gutter work and then all of a sudden they changed the way contracts were getting done, to where you had to do all this other work as well, the electric and—so how did you survive during that? How long did that period last?

JR: You're talking about the slabs?

HG: Well, you were mentioning that your son came in and started doing some—

JR: Joey started working here. I sent him to school. He graduated from Texas A&M, and when he got out of school, he wanted to work in Albuquerque for James (Jaynes??) Corporation. And he had called me up one day, he said, "Dad, they're interviewing me for jobs now." I says, "Fine," because I didn't him to come work for me. I wanted him to go out there and get experience somewhere else to see how they run companies. So he called me up one day, he said, "Dad, our professor at A&M told us that we should accept no less than this." I said, "How much is he asking you to ask for?" At that time, this is 1982, '83, somewhere in there, he was telling the guys to accept no less than \$35,000. So when he called me and told me, he says, "I got a job offer and they want to offer so much, but I want so much." I said, "Let me tell you one thing, young fellow, you don't know nothing. You got a degree, Joey. You don't know anything. So if I were you, I'd take whatever they're paying you, if they're paying you \$25,000, \$28,000, \$30,000, below the amount of money you want that this professor's telling you, I would take it because what you want right now is experience. You want nothing else." I said, "What are they offering you?" "They're offering me \$25,000." I said, "You take it." He took it. He went up there and worked two years for them and learned a lot of the business, how these big companies do business. So he

called me up one day, he says, “Dad, I want to come home and work for you.” I said, “You’re ready, come on.” So he came and he worked from ’85 up to the present time. Today he runs the company.

HG: When he came, you were able to show him how to run the business?

JR: Well, I showed him a lot about the business. What he doesn’t know yet is the financial end of the business because it takes a little bit of time. I learned the hard way. I learned during sometimes I would go out there and wait for my money for a check from a certain company. I would hear a lot of conversations. Especially, when I was doing work for Mickey Schwartz and Chuck Foster, I would hear a lot of financing, how they financed this, how they went to the bank, what they used for collateral, and I would just absorb everything. And then I went to another contractor, Emilio Peinado, and I would hear all of the business deals that they were doing, how they were doing it. So, I got educated that way. Not saying anything because I didn’t have the kind of money those people had, but in later years it came to play and this is the way I got an education. Nobody taught me. There was no such thing as a financial advisor or somebody to come out here and tell me. My daddy didn’t know anything about those things. He just did the work, gave a bill, and he got paid. And to me, when I start making monies, I need to do—I had to invest money, let’s say. What I did, what I started doing, I started buying a lot of land, commercial land and that’s where I started putting my money because I did a lot of work with people that deal in buying and selling land, the developers. So that’s what I did. And then my son, now, today has started to do the same thing as I did years ago. But he’s still weak in the finance. I’m working with him on it and taking him to the bankers, introducing him to the bankers. And of course, today, the banks—there’s United Bank that’s owned by Jesse Alvarez, he’s Mexican-American, and the doors seem to open a little bit better for him now than for me. But when you got money in the bank, it makes a difference, too.

HG: What was your relationship with the banks, as you grew your business, when you were young?

JR: Such as what?

HG: You had a good relationship when you started?

JR: I had a good relationship with the bankers. I met a guy by the name of Dave Graham, used to be ABC Bank, then, and now—today—I think, it's Bank of America. David was a young guy and I was a young guy. He was an up and coming banker and we would sit down and he'd say, "What do you need?" I'd tell what I need, and he'd say, "Bring me a financial." I'd bring the financial. He says, "You want to buy a truck?" I says, "Yeah." Okay, so we started with buying trucks, buying another pickup, buying another truck. Finally, we went to a little heavier, like a loader. And you need to establish a relationship with a bank. You have to. If you don't establish a relationship with a bank, you cannot finance things by yourself. You can't. You can't use your cash flow to buy equipment or to buy stuff for your business and continue to run your business. You can't do that. So you have to have a banker. You have to establish a relationship with a banker that would help you. Now, some bankers will turn you off right quick, but don't give up. There's more than one bank. You have to go from one bank to another. I was very lucky that I knew people in the business that would recommend me to go talk to this guy or that guy, and I established relationships with a couple of banks. The one that I established a relationship with first was the one, Shulman State Bank, where Shelton financed my curb and gutter machine. I had an open credit there and then I established another relationship with another banker at another bank because you need one, you need two, maybe three banks. You don't want to put all your apples in one bank.

HG: Let me ask about your father and your mother. Did they give you a set of values that you used in your business?

JR: My father was very strict and he was the type of man that would tell you, “Don’t you lie, cheat, or steal from people. And if you give a price out to a company or person, whatever, you stick to the price and you do the work, and don’t you go out there and cut corners, never, because it comes back to you.” That was his theory and he had a very good theory because I—(laughs) a funny story. When my father was not working in the union, I would hire him to go help me set forms or whatever, or run the job and says, “Here, call this number, Dad. When you’re ready for concrete, call them and then they’ll come and start pouring.” So, one day we were downtown doing a big job downtown in front of Geneva Loan. I don’t know if it’s still there, today, or not, but there was this Jewish guy that I gave a price and he called me in his office when I gave him a price and says, “Look, you’re not the highest, you’re not the lowest. You’re right in the middle. I’ve always done business choosing the guy in the middle because the high bidder is high and the low is too low. So, I always go in the middle.” I was the middle guy with a price [for] this certain guy, the guy that owned Geneva Loan. So he says, “If you do me a good job,” he says, “I’ll reward you with a gift.” I said, “Well, okay, fine.” So we started, and we started breaking up the walks, and forming them, and pouring them. I had my father running the job and I had told my guys out there at one time and point, I says, “You cut the dirt, instead of making four inches, make it three and a half inches. Cut a half an inch so I can save on the concrete.” At that time and point, I had directions and I had how my father wanted things to be done, but I took it upon myself to do that and I told the guys, “When I leave, you give it half an inch cut.” Well, the guys went more than that. They put three inches of concrete there, or graded it for three inches to pour the sidewalk. My father went out there and got this string to measure the thickness of the concrete and he said, “What are you guys doing here?” He said, “This walk’s gotta be four inches and you put three.” They didn’t want to tell him that I told them. So he says, “Stop everything.” So he didn’t order concrete. He didn’t do anything. He was outside sitting on the side of the truck waiting for me. So when I got back, it might have been maybe three hours later, I said, “What

happened, Dad? Why didn't you pour the concrete on the walk?" He says, "Let me tell you one thing, young man. Why are you putting three inches of concrete here?" And I didn't know what to tell him. I said, "Because I told the guys to grade it that way." He says, "Did the guy pay for three inches or four inches?" I said, "He paid for four inches." [He said,] "You give him four inches, right now. So re-grade the whole damn thing and then whenever you're ready, we'll get the concrete." Well, that was the first, and last time, I was told by my father not to cheat on people. So that's it. I mean, every job I did, I gave them the thickness of the concrete that they had to have on walks, on curbs, on anything because it was unethical, what I was doing. And thank God—I was nineteen, twenty years old, then, somewhere in there, and he got me straightened out that one time, and it just took one time because I said, "Well, he's right. He's been around." So reputation is worth more than money.

HG: So did the guy give you a reward at the end of the project?

JR: When I got through with it—Ehrlick. That was his name, the Ehrlick people because the Ehrlick family had the tallest guy in the world at one time. I think it was Jack Ehrlick.

HG: Jake Ehrlick.

JR: Yeah. He was about eight-and-a-half feet high, tall or whatever. But the man was a real nice guy, Jewish fellow, and when I got through with the job, it was beautiful and he says, "Here." He gave me a Baylor watch and I still have the Baylor watch. It was a beautiful watch. I mean, I never had anything like that before. I just cherished it, wash[ed] [it], and used it on, like, Sundays. I wouldn't use it during the workdays. I had an old cheap watch that I carried with me, but the watch he gave me, I would just save it for like Saturdays or Sundays. But the guy rewarded me very good. It was an expensive watch at the time, but he lived up to his promise and I lived up to my doing a good job.

HG: Have you gotten involved with a lot of organizations in town, business organizations, social organizations?

JR: No, Homero, I haven't. I haven't. I don't know. No, I haven't.

HG: Is there a reason?

JR: Well, okay, I belong to the Chambers of Commerce, of course, we pay a fee because we do a lot of work for the city and we want to keep a good relationship with the Chambers and what not. The Hispanic Chamber has never, ever called on me. I don't know. I don't know why, but I've been one of the oldest contractors, as far as minority contractors, in this city. And I don't know; I've never been contacted by them. LULAC honored me, maybe, thirty years ago as business man of the year and that was the only association that ever got a hold of me, that they honored me, but other than that, no.

HG: When you were building your business and still a young man, you were one of the few Mexican-Americans in construction?

JR: I was the only curb and gutter contractor, Mexican-American in El Paso, and back in the early seventies, '71, I was doing work for El Paso Sand, which the company was owned by Jim Shelton. And the guys who were running the company for Jim Shelton, El Paso Sand Products, they asked me to join the minority program in the State of Texas and the highway, TxDOT, and I did. I was the first or second minority to join back then.

HG: And you got into highway work then?

JR: I got into highway work at that time, yeah. El Paso, since, started doing a lot of highway work and I would do their work and I would pour the concrete for them because that was a Jim Shelton owned company.

HG: And so those were big contracts?

JR: Those were big contracts. That's when we started growing, when I bought those curb and gutter machines that we talked about earlier. And they had a lot of curb, they had a lot of, not curb and gutter, but a little curb that they called Type A curb. Take some horizontal bars, concrete bars, and then one bar that goes right straight in the curb. And we got to be experts at doing work for the highway department. And I went out of town to do a lot of work, highway work. I went all the way to Austin, Houston, Dallas, San Antonio. I did a lot of highway work there.

HG: You also got into some airport work?

JR: We do a lot of airport work, yeah. We've done a lot at the airport, a lot of work. And I think a year ago we did the last job there. Of course, it comes and goes when they got the money, but we do a lot of work for the airport.

HG: How thick are those runways?

JR: Those runways—well what we did is taxiways and runways. The taxiways are eighteen inches thick because when the planes land, this is where they unload the passengers, and that weight sits on there. The runways are about fourteen inches thick, no about sixteen inches thick, and this is where the plane comes in and lands, but it just hits the concrete there and just keeps going. But we've done both the taxiways and we've done the landing strips.

HG: And do you have other family working with you?

JR: Yes, I got my brother, Jaime, which has been with me forty-five, forty-six years. And I got my nephew, his son, Rene, of course, my son, and that's it.

HG: How many children do you have?

JR: I had four children. I lost one and I have three kids now, two girls and a boy.

HG: In building your business, you've run into challenges and you've overcome challenges, can you tell me a little bit about some of those challenges?

JR: Basically, the challenges I really had were discrimination, you know, Mexican-American contractor, but I found ways how to cut through those problems. Of course, anywhere, anytime that you go out of town, you'll find that. It's ironic, but I did a lot of work in New Mexico and New Mexico's very prejudiced out there, too. The inspectors want to see this Mexican-American contractor because they don't have no Mexican-American contractors. At that time, now, I don't know today, but in the early sixties, middle sixties, they had no Mexican-American contractors doing work out there. But the ironic thing was that the inspectors were Mexican-Americans. And when they saw a Mexican contractor doing work, and highway work, doing work in highway, they would welcome it because they says, You know, you're the only Mexican-American contractor doing work here in the state of New Mexico. I said, "Well, I'm here. Whatever you guys want, let me know." They would work with me very good and I worked with them very good. Not because I was Mexican-American, but because we did a lot of quality work and that's what they liked so they could show off to the prime contractors that were Anglo contractors. They'd say, "Look, this guy is Mexican-American. Look at the kind of work he puts out." But there was always a challenge out there. If it's not one as a Mexican-American, discrimination, price-wise, but there's always challenges out there and they were.

HG: What was your biggest challenge that you had to overcome?

JR: I think being a Mexican-American.

HG: Wow, and did you get angry or bitter about that?

JR: Well, you think about the black people, discrimination that they went through. Of course, ours was not as bad as theirs, but there was discrimination. You get angry, but if you get angry and stay angry, you can't think about how to attack the problem, how to do it, how to go out there and break through that line. So you got to keep your composure and if you heard something, well, you do something about it. I did something about it, like when I first joined the minority program and the highway work. We had a meeting in Dallas and this is the AGC, [the Associated General Contractors of America]. They're all rednecks in there and I happened to be in a meeting with them and well I'm not dark-complected, I'm kind of light-complected, but as we sat in the meeting they start talking about this black contractor. [They were saying,] Don't give him any work, don't do this, don't do that. And I was right in the middle of it. There was maybe thirty guys in there, and I said, "Wait, wait, wait, wait, wait." I said, "My name is Joe Rosales. What is this thing you're talking about? I'm a minority contractor. That Mr. Johnson, or Anderson, he's a black contractor. You're saying don't give him any work when he's out there asking for work?" And they didn't know what to say. They just looked at me and says, Joe, we didn't mean it that way. I said, "You know what, I'm getting out of this meeting and I'm going to report you guys to the TxDOT." Because TxDOT has very stringent laws on discrimination. And I did get up and I told them. Well, they marked me there for a while, but I had to do what I had to do because the same thing [that] happened to him, would happen to me, and that's the only way you can—those things you fight right there and then. You don't let them slip off because the fact that they thought, I don't know, maybe they thought I was a white dude out there or something, but I says, "Nope." I says, "This is not right what you guys are doing." And when I told

them my name and they looked at me, they says, Joe, we didn't that. And I said, "No."

HG: What year was that?

JR: That was back early in the seventies, like '71, '72.

HG: Have you had financial challenges in your business?

JR: Oh, yes. I went through a Chapter 11 back in '88 and through the grace of God, my family, my wife, my kids, my workers, I got out of it, and my suppliers, because they knew what reputation I had and what kind of a man I was. I just happened to sign a contract that was not properly documented for my sake. Because when you do a highway job, and this job that I had here in El Paso was about eleven million, twelve million [dollars] there is a such thing as (mobe??) money, mobilization money, and somewhere or other on the contract that I signed, they would not give me no (mobe??) money. My (mobe??) money, on that, would be upfront, one-and-a-half million [dollars], and those guys didn't want to put one-and-a-half million [dollars] up because it was a lot of money to say, "Here's your (mobe??) money." I struggled with that and that was my lack of—ignorance, probably just stupidity, not to catch that, and I signed it and they lived up to it, up until I was forced to go into Chapter 11. And sometimes I go back and think about this, and to a certain time, and to a certain degree, I thought maybe they wanted to put me in this situation because I was getting kind of big already, and not demanding, by all means, but [I] would not let those guys run over me. But through the grace of God and my wife, my kids, and everybody else, including my workers, I got out of it. I was \$4.2 million in the hole. I paid everybody off; everybody was paid off.

HG: How long did it take you to—

JR: It took me four-and-a-half years to get out of the deal, but I did. Because I remember my father, if I would not pay those people, and would not take care of my obligations, would be turning in his grave. So I did the impossible because when I got out of the Chapter 11, the judge told me right there and then, the bankruptcy judge told me, that there has never been a contractor in construction, like me, to get out of a Chapter 11. He's been there on the bench eleven or twelve years. He says, "This is the first time I see it." Of course, I was [on] a mission. I get up in the morning and wouldn't say anything, but go out there and do the job, come back. I worked from seven [o'clock] in the morning until seven [o'clock] at night. Then, as the crew's coming in at night to do the highway work, I [would] go home sleep two hours, get up at about nine [o'clock], ten [o'clock], go to the job, get back at seven in the morning, eat breakfast, lie down for a while, two or three hours, and get up and go out there and take a look at (take the??) day crews, the night crews and then the day crews. And that went on for practically four-and-a-half years. My son was running a job similar to what I have in Dallas and my brother was running another job similar like that in Austin. But I was running this job here and I was short of people and cash flow was very—I was limited. But through the grace of God, miracles happened to me during that time. I got money that I wasn't supposed to get. Somebody paid me \$350,000 and he says, "Joe, here's a check for \$350,000—" Well, actually, what happened is I was always running a job and collecting money, running a job and collecting money. So my CPA, my comptroller, calls me on the radio. We had two like walkie-talkies and he said, "Joe," he says, "give me a call. I need to talk to you." So I stopped, got a phone to call him, I said, "What's the problem?" He said, "We got a check for \$350,000 from the Duney Brothers." I said, "They don't owe us \$350,000. I think they owe us a hundred and some odd thousand." He says, "Yeah, the bill is for \$135,000, \$140,000, but they sent \$350,000." So I make a U-turn, go back to the office, get the phone, and talk to their comptroller. And I ask him, I said, "You sent a check for \$350,000. You don't owe us \$350,000." He says, "Yes, we owe you \$350,000. I went back through your invoices and we didn't pay you a couple of invoices, we didn't pay you so much on one, and so

much on the other one.” And I said, “Yeah, you paid it.” He says, “Cochin,” that was the name of the accountant for the Duney Brothers, “he says no we didn’t pay you that.” He said, “Well, anyway just put the money in the bank and use it.” I said, “Well, before I do that, send me a letter saying that I’ve talked to you about this and that you don’t owe me the money, but you says put it in the bank.” And he did, he signed it. So, I told the guy, “Put it in the bank. Start paying bills.” That week—that was like on a Monday [or] Tuesday. That week I had to report to my bankruptcy judge on Thursdays. It was once a month. On Thursday, we had court sessions, to see how we’re doing. I had to give the Internal Revenue \$55,000 that I didn’t have and through the grace of God, this money came in. I had the money to pay the IRS and other monies to keep me going. Six months later, this guy (Cochin??), from Duney Brothers, calls me and said, “Joe, I made a mistake. You were right. We didn’t owe you \$350,000. We owed a hundred and some odd.” I said, “Well, I told you.” He says, “Yeah, you were honest about it.” He says, “But how can you pay me back.” I said, “I’ll pay you back \$50,000 a month.” We had about an eighteen million dollar job with him. I said, “I’ll pay you \$50,000 a month. Just take it out of my payment. We paid him off in about three, four months. So, things work for what’s best. I mean, this is through the grace of God. This is a true story, but I thank God because God took care of me in so many ways.

HG: Let me ask you about that mobility money. That mobility money was upfront money so that you could get the job started?

JR: Right. Highway work takes a lot of equipment to mobilize and that’s why they call it mobilization money. When I start mobilizing my equipment from Austin and from Dallas to El Paso because we want to start pouring out there, I call a guy, says, “Give me my mobilization money. I need it now.” He says, “You don’t get no mobilization money.” I said, “Why?” I says, “Because you didn’t put it in the contract.” [He said,] “We put in the contract that you don’t get mobilization money.” So, I went and read the contract, and by God, there I

screwed up again. So, I paid the price for it, but thank God, we got out of our Chapter 11.

HG: So the [inaudible] it caused that meant that you didn't have the money to start up the job and you had to use your own resources or what?

JR: Well, Homero, through the grace of God, I thank God I've got friends. Thank God, I've got friends. I have a friend by the name of Cal Kessler, Kessler Industries. At that time, that I needed money to bring the equipment in and what not, I needed money to mobilize and I didn't have it. So, I went and talked to Cal and Cal says, "How much you need?" I said, "I need about \$150,000." And that guy says, "Okay, let's go to the bank." We went to the bank, he cosigned for me. I got the hundred and some odd thousand bucks to move the equipment because every piece of equipment would cost you anywhere from ten to fifteen thousand bucks, plus after you bring it back, you gotta set it up and that costs you another ten to twelve thousand dollars to set it up. It's expensive to move paving equipment up and down the state of Texas. And then, I had another good friend by the name of Elias Abraham. He's gone, I hope God rests his soul in peace because he loaned me \$350,000. So, it was through friends that I had established when I was doing business with a lot of people and my reputation carried me over and [it] goes back to the three inches of concrete that I was trying to put there on the job. My father says, "Take it off, put four inches."

HG: Mr. Abraham was an attorney?

JR: No, Mr. Abraham was a self-made man. He bought a lot of land, years ago. Now, this part of the family, that's Sib Abraham. This is his uncle. Sib Abraham's father is Mr. Abraham's brother, but they're related.

HG: You had very strong principles in your business. Can you share some of those rules that you have in your business?

JR: Well, the business was that I've always wanted to be known as a fair, honest businessman because most contractors have a bad reputation. They take advantage of subcontractors, they take advantage of people, not (now??) that we're prime contractors. If a guy is low on a contract—he's a subcontractor, and we see it, before we put the bid in, we tell him, Either you're too low or there's something wrong with your bid, look at it. And they call and says, Oh yeah, we forgot to put this cost in there. It's just ethics. And through my religion—because I'm a strong Catholic—I go to mass everyday. I thank God for my day of living, and I have a lot of faith in religion and my God and blessed mother, and it seems like every time I have a problem I go to Him and somehow or other, the help comes and to me they're like miracles. I mean, I've lived a very straight life. I've been married forty-eight years. You'll never catch me at a bar, or cheating on my wife, or anything like that because as I'm a religious man. I go by the law of God. And also, my son does the same way. He's a good religious man, and my brother, and that's why we run an honest business because if you take, if you cheat from your worker, a dollar or two dollars, at eight hours of work, you're actually taking food away from their kid's mouth, their family, and we were not raised that way. We were raised, as a big family, to share and we know how to share and we continue to share today. We have a lot of places where we give a lot of money to charity, like the Sisters of Perpetual Adoration, here on Cotton and Magoffin. For their living they make, they bake cakes, and at one time we supplied everything for them and the Roger Bacon people; this is their religious order that comes from Mexico. And we would help them with anything we can and other things that we used to do. And even Ruben Garcia, the Annunciation [House], we'd help them a lot because there's people that come from different parts of the country, from South America, Mexico, that's like a haven for them. If they get in there, the immigration can't touch them, but once you get out of there they can pick them up and take them to the immigration thing out here on Montana and lock them up until they ship them back to Mexico. But, it's that you've gotta share. You've gotta share what you make with people and most—

the least fortunate people, you gotta do that. People that have money have everything. They don't need nothing from nobody, but it's the people that don't have anything that you gotta share with. My daughter runs the House of Hope, named San Martin de Porres House of Hope. It's a non-profit organization that she takes care of pregnant girls in high school, and God knows there's a lot of them, even at twelve years old, pregnant. Young people, young girls, they don't know any better, but they're pregnant. And we subsidize them so much a month to continue to do that work for her because she's God-given to us. She's my youngest daughter and she came when I was forty years old. My wife's two years older than I am. She was forty-two years old and I was forty. And she came at a time that we needed something there because all the kids had grown and my wife would get a little depressed because there was no more family, nobody to feed, and I would come home late. I'd leave early in the morning, come home late, and sometimes she was out there just crying. She said she felt useless and then came this little girl, our little Angelica. And what a blessing because what she does today is she saves lives. She's pro, pro, pro-life. She avoids them girls from having an abortion and tries to save the infant coming here and tries to find a home for them. It's a blessing that we had [her] in our later years when we needed something to keep us going as a wife and husband. Not that we have any problems, but she felt like she was by herself, but came this little girl and the blessing to us.

HG: Now that your son is running the business, what role do you play in the business?

JR: Now he tells me what to do. (laughing) He runs the business and I help him where he needs help. If he needs collecting or he needs me to go see the mayor, they're holding up a payment, I'll go out there talk to the mayor, go talk to the alderman and get my bills approved. Go to the banks, buy equipment, which I know how to negotiate, and more, right now, with the interest rates, and right now at this time and point, its February 2009, and the company's in economic problems everywhere. So, interest is at a very, very low rate right now, so I do

buy a lot of stuff for truck equipment, oversee the business. If I see something, for example, I'll go see a job and scout the job and I see something, I come back and tell Joe, "This is happening out there." He says, "Okay, Dad, thank you." He gets on the phone and does the correcting. I, kind of, overlook the business with him. I don't run jobs no more. I wouldn't say that because two years ago, he needed help at the UTEP job at the Glory Road, and he says, "Dad can you go out there and finish the job?" And I went out there like late July and I got through with the job in two months and he says, "Shit, I should have put you out there from the beginning, Dad." I says, "Yeah, because I'm a pusher." I mean, when I get to the job, my face changes. I mean, I'm a different guy out there and I'm just all business.

HG: The size of your business now, how many employees, how many trucks?

JR: We have over thirty trucks, big trucks, dump trucks, end dump trucks, pick-ups, one-ton trucks, and then we have about a hundred and fifty, maybe a hundred and sixty, employees, plus the office staff, maybe about ten in the office.

HG: Supporting a lot of lives.

JR: Well, we—yeah, we do.

HG: As you grew your business, you saw El Paso change. Was El Paso accepting of you as you grew your business and now is there any difference?

JR: Well, there's a little difference, not like it used to be because most of the people now know that I've been successful in my business and we have a good financial back. I mean, we financed it, we're set pretty good. Of course, through those financial things that we have through our company, we're known pretty good, but it's still—sometimes it's difficult yet, but not like it used to be. Like I said, when you're successful in your business, people tend to come talk to you and want you

to join this, and want you to join that, or whatever. But we're kind of low-key people. We've never been in the limelight and I don't want to be in the limelight. I mean, it's just our nature, but it's better now, today, Homero.

HG: Mr. Rosales, I appreciate your telling me a beautiful, wonderful story, the struggles and successes, and I really appreciate the time and the story and you're certainly an asset to our community and I thank you very much.

JR: Thank you, Homero. Thank you very much for giving me this interview and I hope this will help you with what we have to help accomplish with; thank you, Homero.

End of Interview

DRAFT