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Workers, Managers, and Welfare Capitalism
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Introduction

Letters of appreciation poured into the office of George F. Johnson, newly elected president of the Endicott-Johnson Corporation, after the first distribution of bonus checks had been received by the workers in February 1920. A note from the Fire Prevention Department included this verse: "As to the future, may we pledge to you, OUR UNASSUMABLE, and BEST EFFORTS, in endeavoring to extend the GOOD WILL, feeling to our co-workers, and in living up to the SQUARE DEAL POLICY in ALL OUR LABORS." From the Upper Leather Basement of the New Scout Factory came the following message:

Resolved: We the undersigned workers of the Upper Leather Basement . . . wish to extend our thanks to our friends, fellow worker and benefactor of the community, Geo. F. Johnson, for his kindness and our share of the surplus earnings.

Resolved: That we show our appreciation by trying each day to improve our work by being loyal to the Square Deal policy.

From other factories came similar resolutions, as well as long petitions thanking Johnson for his generosity and congratulating him upon his election to the presidency of the firm. But it was a note from the oldest factory of the Endicott-Johnson complex that suggested most poignantly the broader implications of Johnson's benevolence. A committee of workers from the meeting room of the old Pioneer Factory, where Johnson had begun his career as a foreman many years earlier, wrote the following:

The men longest in your employ in the department, that served under your foremanship, inform us, of a later day, that the policies you are exemplifying on a larger scale, were encouraged and exemplified then. We accept them as a heritage that has been handed down to us, and shall strive to perpetuate them in the future as a token of our regards for the Cooperation with which we are proud to be associated, and for our mutual interest.
Indeed, with the introduction of the profit-sharing plan, the new president of the shoe manufacturing firm had put into place the major elements of a corporate welfare system. Building on paternalistic practices that dated back to the 1890s, the corporation had established an extensive medical department that would soon furnish surgical, dental, and a wide variety of relief services. It had initiated recreational and athletic programs, begun the construction of attractive, low-cost homes for sale to its employees, and provided countless other services for its workers and for the surrounding communities of Endicott, Johnson City, and Binghamton, New York. But more important, as the popular press and numerous highly impressed visitors continually pointed out, Johnson and his fellow corporate officers had created a unique solidarity between workers and managers, a solidarity that was perpetuated by good works, intense propaganda, and a powerful communal ideology that was at once both tolerant and paternalistic. The origins, development, limits, and ultimate demise of that solidarity is the subject of this work.

In many ways the major argument of this book parallels themes developed in recent studies of chattel slavery, most particularly in the work of Eugene D. Genovese. Although equating twentieth-century industrial paternalism with nineteenth-century plantation paternalism would be a gross distortion of reality, as Genovese was careful to point out, it is nonetheless apparent to me that certain meaningful similarities do exist. In particular, I have come to see in the two regimes a common dialectical struggle for control over the definition of paternalistic obligations and rights. The contradictions that Genovese recognized in southern paternalism were also present in industrial paternalism. As a mode of labor control, paternalism in general undermined the "solidarity of the oppressed by linking them as individuals to their oppressors." But as in both the context of slavery and industrial capitalism, paternalism also represented a "moral victory" of the exploited. Just as slaves found "an opportunity to translate paternalism into a doctrine different from that understood by their masters and to forge it into a weapon of resistance," so, too, were Endicott Johnson workers able to transform the paternalistic system of labor control within which they operated.

In focusing on the workers and managers of Endicott Johnson, I have sought to broaden traditional conceptions of the American working class and notions of labor power and struggle. That worker struggle occurs both within and without the umbrellas of formal labor organizations is one of the themes of this study; that it occurs in the most unlikely setting of a liberal and relatively benevolent industrial order is another. The latter point might make even the most sanguine celebrators of America's triumph over class and class consciousness take pause to reconsider their assumptions.

This study is neither pure labor history nor pure business history, but a hybrid. It reflects my strong belief that there cannot be a history of labor without a history of capital. Thus, I have focused on workers and managers,
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viewing the entity of the industrial firm as an area of struggle in which the two groups shape the terms of their coexistence. Since Endicott Johnson’s brand of corporate paternalism encompassed community paternalism, and had an extensive community impact, I was naturally tempted to cast a wide net, placing the company in the broad social and cultural context of a community study. But it was within the realm of work that welfare capitalism sought most avidly to achieve its ends, and it was within that realm that the struggle for control was most explicitly expressed, with all its contradictions and ironies. Thus, I have chosen to keep the shop floor at center stage. The wider field of Endicott Johnson’s paternalistic policies is not neglected, but it is relegated to the background and introduced where it becomes most relevant to the central issues I treat.

Because, as countless historians have pointed out, workers rarely left as extensive a record of their feelings and thoughts as managers, oral history plays a large part in this study. Whatever objections one might raise to the reliability of oral history, and historians have offered many, the clarity and obvious logic of tapping such a rich source on working people’s consciousness and behavior seems to me hardly contestable. Luckily, both corporate and union records existed to at least partly corroborate (as well as stimulate) the recollections of interviewees. Where written records did not exist, I tried to cross-check particular oral accounts with those of other workers who witnessed or participated in common events. The utilization of both oral and written sources resulted in an enrichment of one by the other and allowed me to trace the relationship between managers and workers through each group’s perspective. I should emphasize that oral history was “mined” for both its objective and subjective content. Not only did workers provide me with numerous vivid descriptions of shop floor behavior, strikes, committee actions, and so on, but the tone and language of their recollections, as well as what they remembered, reassembled, or forgot, also offered me important insights into the psychological legacy of corporate paternalism. How else, except through oral history, can such information be obtained?

This study owes its existence not merely to my own efforts but also to the many institutions and individuals who offered me material, psychological, and editorial assistance. Syracuse University the Lincoln Educational Foundation, and the Snow Foundation provided me with greatly needed and much appreciated financial support. To my wife, Deborah D. Maxwell, I owe an immense debt. Her assistance on many of the interviews cited within and in editing numerous versions of my chapters has been invaluable. I am especially grateful that she became as enthusiastic about this project as I was. My thanks also go out to Jared Numenson, an old and dear friend, who took the time to read and edit early drafts of this work. David Brody and Melynn Dubofsky offered valuable advice that has considerably improved the manuscript. Aaron Appelstein, of the University of Illinois Press, helped purge it of several
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tion Center, New York State School of Industrial and Labor Relations, Cornell
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Finally, to my father, Jakob, who did not live to see the product of my labors, and my mother, Judith, I dedicate this book.

NOTES
1. E-I Fire Prevention Dept. to George F. Johnson, Mar. 1, 1930, "Employee Correspondence" folder, box 18, George F. Johnson Papers, George Arents Research Library for Special Collections, Syracuse University, Syracuse, N.Y.
2. Workers Committee, Upper Leather Basement of the New Sconce Factory to George F. Johnson, Mar. 1, 1930, "Employee Correspondence" folder, box 18, George F. Johnson Papers.