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### The Rise of the "Square Deal"

The same factors that had impelled Endicott, Johnson and Company to venture into industrial paternalism led hundreds of other firms to do likewise, often on a far grander scale. Fear of government regulation, the need for mechanisms to integrate immigrants better into American industrial life, and a recognition of the benefits of good public relations were additional motivations—so, too, were the private quests of businessmen for a legitimating philanthropy, in Thorstein Veblen's words, a search "for some other than an invidious purpose in life."<sup>1</sup>

By the second decade of the new century, the collective efforts of hundreds of employers, in assuming more responsibility for the well-being of their operatives, had given rise to a movement that came to be known as welfare capitalism. Welfare advocates asserted that labor was not a mere commodity but a partner, albeit junior, that deserved fair treatment and consideration from capital. They emphasized that labor and capital shared a common goal—increasing production. Both partners would reap the bountiful harvest produced by cooperation. In translating these ideas into concrete reforms—such as company-provided housing, health care, profit sharing—progressive business leaders hoped to forge a corporate solidarity between workers and managers, one that would pay rich social and economic dividends.<sup>2</sup>

In the years preceding World War I, some forty major American firms had adopted extensive welfare programs. Many more, like Endicott, Johnson and Company, developed less comprehensive welfare policies. By 1917 perhaps as many as 2,000 firms throughout the country had incorporated some element of welfarism into their labor management practices.<sup>3</sup> Additional signs attesting to the growing acceptance and spread of welfare capitalism were visible. Universities, for example, started to offer courses in practical industrial welfare work as early as 1906, when the Chicago Institute of Social Science began to teach the subject. In 1908 Yale University created a course in "Industrial Service Work," and by 1916 over 150 engineering schools were providing such courses.<sup>4</sup> Numerous state and federal government departments studied

the welfare practices of industry and published reports on companies employing welfare programs.<sup>5</sup> The administrations of Theodore Roosevelt, William Howard Taft, and Woodrow Wilson supported welfare work under various institutional and practical guises. Veteran welfare worker Gertrude Beeks, for example, was sent down to Panama to supervise welfare work among Panama Canal workers.<sup>6</sup>

Yet, of all the factors that fostered the growth of the industrial welfare movement, none was more powerful than World War I, for it was the war that profoundly affected private industry's receptiveness to welfare capitalism—that made converts of previously hostile or unresponsive businessmen. Reacting to the disruption of the prewar labor market, as well as to the rising tide of labor militancy that followed World War I, industries adopted or expanded welfare programs as a means of holding on to workers in a labor-starved economy and as a hedge against labor unions.<sup>7</sup> It was the war, in fact, that led to the enlargement of Endicott, Johnson and Company's paternalistic practices and that created the "Square Deal."

## I

Endicott Johnson was a relative latecomer to welfarism, although in its informal and paternalistic policies it did exemplify many of the sentiments that motivated welfare capitalists, both humanitarian and pragmatic. It only required the additional catalyst of the war to push the firm into more formal welfare programs and policies. The underlying philosophical foundations for an extensive welfare system already existed, a product of nearly two decades of personal cultivation by George F. Johnson and his brothers. Certainly, all of the Johnsons accepted the fundamental idea behind welfarism: that management had "an obligation for the well-being of its employees."<sup>8</sup> It was expressed daily in the firm's community and labor policies in the 1890s and early 1900s. But both the wartime and the postwar economic climate reshaped and enlarged this basic idea and combined it with various notions of business efficiency until welfarism became far more explicitly a mechanism of labor efficiency and control. It is not without significance that the firm came to refer to welfare expenditures as "efficiency expenses."<sup>9</sup>

World War I placed exceptional strains on Endicott Johnson's labor policies. The blockage of immigration and the rising demand for labor made issues of labor attraction and labor retention primary in the mind of management. Between 1914 and 1920 the firm's work force doubled in size, increasing from 6,500 to over 13,000. Like many other firms, Endicott Johnson found that maintaining rapid expansion and high wartime profits necessitated ever-growing attention to its employees.<sup>10</sup> George Willis Johnson, George F. Johnson's son, once explained the context of the firm's expanding services to a fellow official, who later conveyed the information to an officer of the Plym-

outh Cordage Company, another welfare firm: "You will recall at the beginning of the European War business became brisk and we soon ran into the most unusual times, (so far as Labor was concerned) that we had ever experienced. Wages doubled and trebled and many concerns offered all sorts of inducements, in addition to wage increases, that would tend to keep workers happy and contented. We were among those who did all we could for our workers."<sup>11</sup>

It was in the midst of the war that company managers Harry L. Johnson and George Willis Johnson visited the Ford plants to learn about Ford's personnel practices. Harry L. Johnson's seven-page letter to the senior Johnson, a description and critique of Ford's personnel policies and a comparison with Endicott Johnson practices, offers some superb insights into the state of management thinking during this period of self-evaluation. Although Harry Johnson was awed by the scale and efficiency of Ford's "Educational Department," he nevertheless did have one large and important criticism:

However, it seemed to me that there was one note lacking, and that was the *personal* note. They have done in a very systematic, thorough, business-like and professional way during the last five years something of what has been done in our business in a *personal* way for the last twenty-five years. They have planted the idea, have cultivated it, nourished it, watered it, and made it blossom—the same kind of an idea which took a *natural root in our business with the advent of your connection with it*, and has grown naturally ever since, until it has *commenced* now to bear fruit. . . .

They are at a *tremendous disadvantage*. *Their people do not live around the works. Mr. Ford does not live with the people—he goes into the works but seldom—they do not know him personally—it is all handed down to them through the medium of a lot of hired people—devoted people, good people, hard working people, but, still, hired people.*

The problem, it seems to me for our Company is: How can we maintain the personal contact? How can we broaden our community ideas—"working with and for the people who work with and for us", without doing it professionally—mechanically? . . . How can we perpetuate it—because it is going to be harder to perpetuate the personal note than the professional and business note. He can perpetuate his policy because it is a policy. Can we perpetuate ours, which is a *personality*?<sup>12</sup>

In a search for models to emulate, Harry L. Johnson found instead confirmation for his faith in traditional paternalism. Yet he also recognized that there was much to learn from employers such as Ford, who had adopted systematic labor management techniques.<sup>13</sup> And there were other firms to learn from—firms more closely associated with Endicott Johnson. The United Shoe Machinery Company (USMC), for example, with which every shoe

manufacturing company in the nation was extremely familiar since it controlled and supplied 90 percent of all shoe machinery for the industry, was a quintessential practitioner of welfare capitalism and an influential propagator of the welfare ethic. Its officers were extremely active in the National Civic Federation, the major advocate of welfarism in the country. In such booklets as *The Story of Three Partners*, the USMC attempted to spread the good word on creating a "perfect sociological symphony," a wedding of the interests of "Capital, Labor and Society."<sup>14</sup> What Endicott, Johnson and Company borrowed from other firms and what it created on its own is difficult to gauge. But between 1916 and 1921 the firm's labor management policies rapidly took shape and established an identity unique to the firm—part system, part personality, part ideology, and part informal practice.

## II

A new worker entering the employ of the Endicott Johnson Corporation in the early 1920s (it had incorporated in 1919) received a small booklet, a modest little work entitled "An E-J. Workers First Lesson in the Square Deal." It was one of many instructive manuals that the firm periodically produced to introduce its labor policies to new employees. "You have now joined the Happy Family," the booklet declared, and it proceeded to describe the compact that constituted the essence of the company's "Square Deal" policy. To the worker the firm promised fair treatment and security: "Certain claims of your family are recognized. Medical and Hospital service is yours. Privileges of many kinds are yours." There were, of course, expectations on the part of management: "This company and its Directing Heads, *know their business*. . . . *Their business is to see that you give them a 'Square Deal'*; which means *fair* return for what you *receive*—an *honest* effort to do the work *well*, and a *fair* and sufficient amount *of it*." It was a very businesslike little pamphlet, no appeals to the heart, no philosophical discourses on the common goals of management and worker, just a tidy little bargain.<sup>15</sup>

In the minds of Endicott Johnson's top management, however, the "Square Deal" meant much more than this rudimentary first lesson. On these simple contractual foundations, and on the tradition of paternalism upon which they rested, the Johnsons built an ideology whose primary goal was the establishment of an industrial community in which the interests of workers and managers would be perceived as inextricably bound. The obligations and responsibilities of both management and workers were extended. George F. Johnson summarized what was expected of management as "'Personal contact.' 'Putting yourself in the other fellow's place.' 'The square deal.' 'Trying to get the other fellow's point of view.' Being reasonable and fair, including fair wages, considerate treatment, a real practice of the 'brotherhood of Man,' and sympathy—created (as sympathy can *only* be created) by personal contact, close

observation, living together, playing together."<sup>16</sup> Likewise, the corporation's expectations of the workers were expanded. Fundamental to the development of a corporate community was labor loyalty. Johnson continually expounded on the idea of loyalty in open letters to his workers and in speeches. Company publications constantly repeated the theme. In articles and poems in the *E.-J. Workers' Review*, the employee magazine, the ideal of loyalty was prominently displayed:

May the E.-J. wheel keep turning  
As long as the world shall stand;  
May each cog prove ever faithful  
Under its guiding hand.<sup>17</sup>

Loyalty meant a personal allegiance to management as well as a commitment to the good of the corporation. Efficiency and teamwork were part of this definition. "Team work applied to shoe making," explained one writer in the *E.-J. Workers' Review*, "means that the workers must do their part well. For every day's wages, they must give an honest day's work."<sup>18</sup> Another article in the magazine lectured, "Every worker should do his best. Let us look for the leaks and avoid all mistakes and waste of material. An interest taken for the E.J. Corporation is an interest for us all."<sup>19</sup>

To cultivate worker loyalty further, Endicott Johnson tried to inculcate in its workers a proprietary attitude toward their company. "I have consistently sought to create a feeling of responsibility in the mind of each worker, plus a feeling of proprietorship—ownership, if you will, in the business. I have sought to make each individual a 'business man' operating his (or her) own business, for their own particular benefit," wrote George F. Johnson in 1928.<sup>20</sup> The company's profit-sharing plan, instituted in 1919, was designed primarily to create "a feeling of responsibility" in the workers by transforming individual material self-interest into a collective interest. It expressed in concrete terms the unity of purpose that Johnson hoped to forge between managers and workers. In early 1920, after the first year of the plan, Johnson sent out a notice to the workers: "Many of you are now *real* 'partners' . . . because *you* have *your* share of the 'surplus profits.' . . ."

Your own *selfish* interest, *now*, demands that you *protect* this business. You would not stand by and see a burglar break into a house, or a pickpocket in a crowd get in his work. *Certainly not*. Then don't let anyone beat this "old business of ours." . . . I want to see the day when you will all be self-appointed, sworn in, "special policemen," to stop "time killing," and "dead Beats," and the "leeches" which gather around every industry.<sup>21</sup>

The profit-sharing plan was incorporated into the bylaws of the company, apparently in spite of H. B. Endicott's misgivings, when it became a public corporation in 1919.<sup>22</sup> Originally the idea of Waddill Catchings, a prominent

New York financier and an early director in the firm, it functioned quite simply.<sup>23</sup> All profits after common and preferred stock dividends were paid (10 percent and 7 percent respectively) were divided between stockholders and workers on a fifty-fifty basis. The stockholders' share of the excess profits, however, was plowed back into the firm's surplus funds. Workers, including foremen, superintendents, and upper-level managers, received their share in cash at the end of the year. Only those employed for a year (on the payroll at the beginning and the end of the year) were eligible to receive the "bonus." But workers absent for parts of the year received a prorated share for the weeks they were employed. The basis of eligibility was extended to two years in early 1926.<sup>24</sup>

Catchings's basic rationale for the plan, and one that Johnson no doubt used to win over H. B. Endicott, was to maintain labor stability. As Johnson explained to the firm's auditor:

The great big thought in the Surplus Sharing, is to lessen turn-over. It costs a lot of money to start a new man, or a new worker, in any department of the business. It adds to the cost of making leather and shoes, tremendously. We have a big investment in every worker, and when one worker, for any reason, leaves the Company, and a new one has to take his or her place, there is created a very heavy tax. . . . And so, if you can stabilize the workers, so they stick, and become regular and skillful, and through acquaintance with the policies of the Company, loyal—you have established, I think, one of the biggest assets in Industry, and one hard to estimate as to its value to the Company.<sup>25</sup>

Management's recognition of the linkage between high labor turnover and low productivity was one more legacy of the First World War. Of course, this was not a new insight. Corporate managers had justified paternalistic policies on the pragmatic basis of stabilizing the labor force since as early as 1901. But the war transformed turnover into an acute problem and forced the firm to seek out new mechanisms to achieve labor stability. In choosing profit sharing as a viable solution, it joined hundreds of other companies that had made a similar choice.<sup>26</sup>

Indeed, it appeared that the corporation had come upon an effective policy. A year after the initiation of its profit-sharing plan, a representative of the firm wrote to the National Civic Federation that "it is a noticeable fact that our workers value their positions more highly and are very loath to leave them."<sup>27</sup> The immediate response of the workers to profit sharing must have been especially heartening to management, particularly when expressed in terms such as these:

Just merely writing a letter seems a very feeble way of expressing our thanks and appreciation relative to the profit-sharing plan. But knowing you as no other workers of no other concern on earth have the privilege of knowing their manager, we feel you will accept this offer of thanksgiving

as you always accept anything that comes from the workers. You can be assured that the workers of our dept. and we dare say the entire concern will show their gratitude by putting forth *all* their energy in the coming year.<sup>28</sup>

This was typical of the letters received by management after the first distribution of surplus profits in early 1920. Johnson expressed delight in receiving "the splendid wires on profit sharing from the workers, not so much because they expressed their thankfulness, but because they expressed their determination to try and earn this—to try and do more and better work [and] be more loyal and faithful." He concluded, "We have made this investment for this very purpose believing, (not without some misgivings, however) that the workers would take exactly this view of it, and it would have exactly this effect."<sup>29</sup> Management's delight undoubtedly was reinforced when, in January 1923, W. F. Dickson, the corporation's auditor, noted the increasing number of workers participating in the profit-sharing plan and concluded that their participation was a testament to a "tremendously small turnover" as well as the "contentment on the part of the workers to remain at their work."<sup>30</sup>

As a further vehicle to involve workers in "their" company, management sought to increase the number of employee stockholders in the firm by promoting the sale of common and preferred stock, selling it both at a discount and on the installment plan. In 1920, 2,205 workers (17 percent of the labor force) owned stock in the firm, amounting to 11,761 shares of common and 6,254 shares of preferred stock.<sup>31</sup> But attempting to interest employees in the business by promoting stock ownership backfired when the depression of 1921–22 hit and stocks declined. Management redeemed stock from workers at par value but ceased doing so when requests for redemption grew too burdensome. In September 1921 Johnson finally notified the workers that "we shall redeem *no more stock*."<sup>32</sup> Soured by the experience, management ceased pushing employee stock ownership and instead encouraged workers to deposit their savings with the company, where they could obtain 6 percent interest on their money.<sup>33</sup>

Sharing profits and encouraging workers to become stockholders were attempts by the company to give a concrete reality to the ideal of labor-capital partnership. There were other aspects of Endicott Johnson's welfarism that also served to achieve this end. The pervasive themes of loyalty and the merging of worker and management interests were subsumed in a more powerful image of mutuality, the metaphor of the family. "A business concern . . . ought to be like a family as much as possible," declared a writer in the *E.-J. Workers' Review*.<sup>34</sup> In company magazines, through the local press, and on bulletin boards and signs posted throughout the factory complex, the firm advertised the corporate bonds that held together the "Happy Family." At the head, of course, was George F. Johnson.

The corporate leader was prominently depicted as the "father" of a vast and

loyal family. A typical cover of the company magazine portrayed George F. Johnson helping a young girl roll a ball of yarn. A back cover in another issue displayed a cartoon of a large shoe with a feminized version of George F. Johnson watching a line of workers marching by and a "Father George F. who lived in a shoe" poem below. Johnson would occasionally address letters to his employees "To members of the 'Happy Family.'" An E.J. marching song carried the line "George F's the daddy of this family."<sup>35</sup> The image of Johnson as benevolent patriarch pervaded the community. One local clergyman expressed his gratitude to Johnson for contributing to his church by writing the following "poetic" tribute to him:

In this happy prosperous Valley  
 There are things aplenty,  
 Which bespeak the generosity  
 of Geo. F. its "Daddy."

"Daddy" Johnson we are grateful,  
 Of your kindness ever mindful;  
 May God bless you and protect you  
 From all that is harmful!<sup>36</sup>

George F. Johnson carefully cultivated the image of a "father." He made it a point to drive through the various working-class neighborhoods surrounding the factories, particularly the ethnic enclaves, and to visit each one of the company's factories periodically. Workers recalled him waving from his chauffeur-driven car, calling out greetings to local children, whose names he would often know.<sup>37</sup> He wrote, with pride and a strain of postured weariness: "As I go among my foreign neighbors, I am their "Father"—even some of the older men and women, older than myself. They look to me for everything they lack, or think they need, to make life happy. This is a great reputation . . . except it has its penalties. So I am besieged with requests for relief from every and all sorts of troubles and trials, and real needs."<sup>38</sup> Johnson developed a special relationship with the firm's ethnic workers as a result of persistently championing their interests: he lobbied for additional village services for the immigrant wards of Johnson City and Endicott, he attacked the Ku Klux Klan and its anti-Catholicism, he defended the rights of ethnics to their own culture and political beliefs (including bolshevism) against overzealous Americanizers, and he partially funded most of their churches and lodges.<sup>39</sup>

Johnson's tours through the factories, which interviewed workers recollected with humor and some fondness, were carefully orchestrated. He wrote to an acquaintance in Scotland, after one such tour: "The job will be finished this week, for this year."<sup>40</sup> He viewed such visits as a burden, although a necessary one, and continued making them even after he was struck down by the infirmities of old age. One worker recalled Johnson's visits, suggesting both their mechanical aspects as well as the favorable impression they none-



theless made: "George F. was really the best of them all. He'd come through the factory and they'd round up the crowd. Usually, it would be in the summer time. They'd take us outside, and he would talk and maybe give us a voucher for the time we had lost—so that we wouldn't lose anything in the deal."<sup>41</sup> Other workers remembered more distinctly his speeches and metaphors, as well as his amiable personality.<sup>42</sup>

Johnson's personable style was also evident in his generosity to his workers. His private correspondence is replete with requests for aid from workers. Not all such requests were favorably answered; but when he did agree to help a worker, Johnson did it in a way designed to create a personal bond between worker and manager. One tannery worker, Sam Salvatore, recalled the special treatment he had received when he approached Johnson to request financial help in paying for his mother-in-law's funeral:

I went down. The secretary knew me. She went in, and she says, "Mr. Johnson, Sam Salvatore is here." "Send him in, send him in. . . ." I went in, and he says, "Sit down." I sit down. "You smoke?" I says, "Yeah." "Light a cigarette," he says. "In the office?" "Yeah," he says. "We're friends, aren't we?" I says, "Yeah." "Help yourself, smoke." Then he told Mary, "Close the door. I'll be busy for the next half hour or so." He says, "I don't want any phone calls, hold them." "What is it that you have to tell me?" And I told him. . . .<sup>43</sup>

The next day Salvatore learned that the funeral director had received a check from Johnson covering the entire cost of the funeral.

There were other studied behaviors that promoted industrial harmony, not the least of which lay in the realm of language. Carefully exercised rhetoric could convey a sense of community and collectivity. Johnson fastidiously avoided the public use of class-tainted vocabulary or words that might in any way alienate his employees. He called foreign-born workers "new Americans"; he referred to foremen and foreladies as "directors"; he used words like "partners" and "family members" in corresponding and conversing with his employees. Yet in private letters and memos to company officers and close friends, he persisted in employing words like "help," "employees," and "foreigners," clearly demonstrating the dramaturgical use he made of language. Nonetheless, that was the side of Johnson never seen by workers. His public self was what counted, and he groomed his public persona clearly and carefully to create an image of an industrial family, with himself as patriarch.

George F. Johnson had been cultivating the role of patriarch for some time.<sup>44</sup> As the major benefactor of community charities, as responsible civic leader, as progressive industrialist, he had achieved a stature second to none in Broome County. In 1915 the community of Lestershire had honored him by changing the name of the village to Johnson City. It was not the last honor he would receive. When H. B. Endicott died in 1920, there was no question as to

who should succeed him as president of the corporation. And with Endicott gone and Johnson family members in key managerial positions throughout the corporation, Johnson became truly the patriarch at the helm of the firm. Although the company had become a public corporation, at heart it was, and would be for decades to come, a family firm, preserving a structure of management far more akin to a nineteenth-century enterprise than a twentieth-century one. It was hardly surprising, then, to find that the central organizational ideal behind the firm's labor policies would reflect management itself: family.

The family connoted harmony, security, authority, and stability—all values the corporation sought to develop and exploit. It was a powerful metaphor, both a confining and comforting image, one that promoted the internal resolution of conflict. The transposition of the employer into a father figure was aimed at making industrial protest and rebellion the equivalent of patricide. Seeking actively to cultivate the symbolic merger of family and firm, publications directed at workers were replete with photographs of families, children, babies, homes, and so on.<sup>45</sup>

The company attempted to do more than merely cultivate an image of a corporate family. It also sought to unite the functions of firm and family. The corporation became a partner in providing basic family needs such as medical care, relief, recreation, and housing. Many of the company's welfare policies were specifically designed to attract and hold working-class families to the firm.

The corporation's house-building program is a case in point. The booming war years led to a rapid growth of the firm's work force and a strain on local housing resources. Exploitation by local landlords and deteriorating housing conditions led Harry L. Johnson and other company executives to initiate privately financed home construction for workers. Although the firm had gone into home building in 1904, it was on a small scale and was soon discontinued. Harry L.'s efforts in 1919, however, escalated as the various members of the Johnson clan began to sponsor similar ventures. By 1921–22 home building had become a company policy, and a separate Realty Department was opened. George F. Johnson later placed the events of those years in context: "In the first place, then—because we built many factories and tanneries and employed many people, and did not build many homes, there was created a most unhealthy condition, which made it easy for people who are always looking for a chance to make money by exploiting such conditions, at the expense of both the workers and the business."<sup>46</sup>

Within the corporate ethos, however, home building became much more than a mere response to need. It became a vehicle for fostering labor loyalty, a "staying clause" in the "Square Deal." Inexpensive company-built houses were sold first to workers with large families and last to families with few children, as one description of a company housing tract confirmed: "Endwell

Terrace is a place of Ideal homes, built for Ideal families. In order to become a resident of Endwell Terrace there must be kiddies and plenty of them in the family."<sup>47</sup> Homes were offered on very liberal terms, with flexible payment schedules allowed during periods of slack work, particularly during recessions or depressions. The waiting period for available houses grew quite long, as hundreds of workers applied for them. Employment officers played an important role in the selection of qualified buyers to insure that only "desirable workers" with good employment records would be considered.<sup>48</sup>

The housing program was clearly aimed at cultivating close ties between working-class families and the corporation and in promoting labor peace and stability. Home building, in George F. Johnson's mind, was also the answer to numerous social and industrial ills, not the least of which was bolshevism: "There can be no security—there can be no guarantee of prosperity and Industrial peace—except through homes owned by the plain citizen. I believe myself, that the home is the answer to Bolshevism, Radicalism, Socialism, and all other 'isms.'"<sup>49</sup>

The policies of the firm's Realty Department changed over the years. Early on, the company retained first rights to buy back homes in case a worker left its employ or chose to sell a company-provided home within twenty years of the initial purchase. But the Realty Department soon adopted a two-price system, depending on the inclusion or exclusion of a buy-back clause in the deed. The repurchase provision was maintained to limit "speculation." By the late 1940s and early 1950s, this policy was haphazardly enforced and finally revoked. A five-year employment requirement before consideration for a company home was also flexibly enforced. Qualifications for homeownership changed over time, becoming less tied to family size and more to traits of "loyalty."<sup>50</sup>

The corporation continued to construct houses well into the 1950s and built, over the years, close to 4,500 units for its employees. The firm's policies made it possible for many workers, who would otherwise not have been able to purchase homes, to afford them. It is not surprising that large numbers of Endicott Johnson workers retired as homeowners. By 1955, according to a local newspaper estimate, about 85 percent of retired Endicott Johnson workers owned private dwellings, and one analysis employing data from local city directories disclosed that, between 1920 and 1940, Endicott Johnson employees were more likely to become homeowners than were other workers in the community.<sup>51</sup>

As important as the firm's Realty Department was and would be, it only touched a minority of the labor force. Of greater importance to both workers and management was a division that affected a far broader segment of the firm's employees, the company's Medical and Relief Department. Begun during World War I, it was initiated on a modest scale as a one-room medical office in one of the firm's tanneries. Created to deal with the many accidents

that occurred in the tanneries, and with an eye to satisfying workmen's compensation laws, the clinic nonetheless swiftly expanded its functions:

In 1916 one full-time physician and one nurse was [*sic*] employed. Very soon thereafter, a number of the employees requested general medical service for themselves and their families. They asserted that they could not afford to pay for medical care in the customary way. In 1918, finding difficulty in drawing a line between those workers who could and those who could not afford to pay for medical care, the management decided to extend medical service to all its employees. This new policy was inaugurated during the peak of the industrial boom that accompanied the World War.<sup>52</sup>

Under the influence of Dr. Daniel C. O'Neil, an advocate of industrial medicine, the Johnsons were soon convinced of the many benefits that would come from providing extensive medical care for their employees. By 1928 the Endicott Johnson Workers Medical Service had grown to include eighteen physicians, four dentists, five dental hygienists, two physical therapists, four bacteriologists, four pharmacists, seventeen technicians, sixty-seven nurses, and sixteen clerks and office assistants.<sup>53</sup> Medical centers had been built in Binghamton, Johnson City, and Endicott. Both the Johnson City and Binghamton facilities had maternity divisions and ear, nose, and throat departments. The company also operated smaller clinics for pre- and postnatal care, as well as a convalescent home at a nearby farm and two tubercular asylums in Saranac, New York. The medical services of the corporation were available to workers and dependent members of their families but excluded kin who were employed by other companies.<sup>54</sup> An extensive study of the firm's medical plan, undertaken in 1928, noted that "94 out of 100 eligible individuals made use of the Endicott Johnson Service in whole or in part, or were members of family groups which did so."<sup>55</sup> The Medical Department, indeed, touched the lives of most of the corporation's workers.<sup>56</sup>

But health care was only one of many functions undertaken by the firm's Medical and Relief Department. In addition the department provided workmen's compensation, old age and widows' pensions, sickness relief, burial funds, housekeeping assistance, and food, fuel, and clothing allowances to needy workers.<sup>57</sup> Company welfare workers would visit the ill, the infirm, and the bereaved, evaluating needs and allotting financial or service assistance, as well as investigating the authenticity of ailments.<sup>58</sup> George F. Johnson often involved himself personally in the decisions of the department, interceding on behalf of workers or making a final ruling on a questionable appeal for aid. As a result employees sometimes recalled the work of the department as a direct product of Johnson's beneficence: "I lost my mother when we were all small, and he [Johnson] sent a woman to do the washing and other things. I think it was a couple of hours every day that she'd come over until my older

sister got old enough to do these chores. At that time my older sister was about eight or nine. When she got to be around ten or eleven, it [stopped]."<sup>59</sup>

By injecting itself into the private home and health lives of its employees, the company reinforced the bonds between family and firm and further strengthened the collective identity of the corporation. But there were yet other practices that the corporation and its managers engaged in to further foster labor loyalty. The company's Legal Department offered free legal aid to employees. Workers' stores, initiated by the corporation, supplied inexpensive foods. A company bakery provided cheap bread. The Johnson family periodically distributed shoes to local neighborhood children, an act of gift giving benefiting not merely employees. A full inventory of services and gifts would form a long list indeed. Viewed as a whole, the services offered by the corporation were clearly designed to provide maximum benefits to employees with familial responsibilities, just the sort of workers the corporation sought.

Believing that families would aid in labor recruitment, insure a more stable work force, and limit labor militancy, the Johnsons strongly encouraged family employment. They tolerated flexible hiring practices that bypassed the centralized employment office and that aided workers in placing family members in jobs. They urged employees to write relatives about the firm's many virtues.<sup>60</sup> They encouraged workers to send their children into the factories. A photo in the *E.-J. Workers' Review* contained the following typical caption: "We have here a very interesting family which includes four generations. Two of these are members of the 'Happy Family' and no doubt more will join our 'family' as they grow older and are ready to take up their life's work. . . ." <sup>61</sup> A "Future E.-J. Workers Department" regularly appeared in the *E.-J. Workers' Review*, along with numerous articles addressed to working and nonworking mothers—all devoted to advice on raising babies and infants. There, mothers could read about their responsibilities to their children, as well as to the firm: "In a few years from now most of these children will be citizens and shoemakers. If we mothers do our part, the future of Johnson City, the future of the E.-J. Co., and the future of the shoemakers home will become 'Ideal.'"<sup>62</sup> Such attempts at encouraging family employment apparently paid off. Many local families had several members working for the firm, and recruitment of workers often occurred through family networks.<sup>63</sup>

Wives and husbands sometimes worked side by side in the factories, although more typically they were segregated by sex-typed jobs. Partly because of the encouragement of management and the lure of company benefits and partly out of sheer necessity, large numbers of married women sought employment at Endicott Johnson. By 1927-28 married women constituted over 50 percent of the company's 4,000 to 4,500 women. The firm was by far the largest employer of both single and married women in the region. The large number of married women in Endicott Johnson contributed to the inordinately high ratio of married to single working women in the Binghamton area.<sup>64</sup>

Family recruitment stretched far beyond the confines of the immediate community. Native-born workers seeking escape from an impoverished rural existence or the insecurity of work in the Pennsylvania coal mines brought in relatives from surrounding New York and Pennsylvania counties. Polish, Slovak, Russian, and Italian workers who had entered the company in the first two decades of the century wrote to relatives abroad and in neighboring states, telling them of the opportunities available in Endicott Johnson.<sup>65</sup>

The presence of kinfolk in the factories not only helped foster a familial atmosphere, it also helped to maintain work discipline. One worker recalled the time when his son took the afternoon off from his job. The father went out, located him, and brought him back to the factory: "I took him down there, and I took him right into his machine, and I told him, 'Don't you ever leave that machine again as long as there's one shoe to do!'"<sup>66</sup>

The close functional ties between family and firm strengthened the communal identity of the corporation. This identity was further reinforced by rituals that sought to advertise and celebrate the ideal of labor-capital partnership. The company parade, a pageant dating back to 1916 when the firm, along with several other local companies, adopted the eight-hour day and held a communitywide celebration of the event, became a regular ritual in the life of the corporation. Parades were held on such varied occasions as George F. Johnson's birthday, Labor Day, and upon Johnson's return to the community from his winter retreat in Florida. They were carefully planned for the maximum effect. In contemplation of one such celebration, Johnson warned his son that the parade should be "big or not attempted at all."<sup>67</sup> In "Geo. F. Day" and "Workers' Day" celebrations, the firm sought to promote a sense of corporate community.

The parades were one sort of ritual. Sports were another. As they had in previous years, sports figured prominently in the corporation's social life. In this arena the world of work and the world of personal leisure met, further blurring the distinctions between personal time and industrial time.<sup>68</sup> As George F. Johnson's biographer noted: "Nothing strengthens the bonds of fellowship more than mutual devotion to a game."<sup>69</sup>

Although the firm's recreational programs were born in the early 1900s, it was World War I, again, that had the most important role in promoting their expansion. It was "under the stress of producing material for use in the World War," the firm's official historian recounted, that employers such as Endicott Johnson were led to "stimulate their people not only with 'pep' talks at noon but by furnishing baseball outfits and diamonds and many other amusements for off hours, all of which were good for their health and bettered their morale, thereby increasing efficiency."<sup>70</sup> Beginning with the war and continuing well into the 1920s and 1930s, the firm enlarged its athletic and recreational programs and facilities. It constructed softball and hardball diamonds, skating rinks, tennis courts, bowling alleys, swimming pools, parks, picnic

grounds, dance pavilions, a horse racetrack, and an eighteen-hole golf course. The Endicott Johnson Athletic Association, as it came to be known, sponsored baseball, bowling, football, boxing, and dozens of other sports.<sup>71</sup> Teams were organized along factory lines, to promote a factory solidarity that was hoped would carry forward into work: the quest for victory on the playing field would ignite an equal desire to "beat" another factory's production rate. As Johnson remarked in observing one softball team: "They have the old fashioned team-work and fighting spirit. That's what counts, out there and in our business."<sup>72</sup> Hence, factory "Daily Production Records" were published in the "Workers Daily Page" right along with the latest company athletic scores.<sup>73</sup>

More than just to sports, Johnson was committed to any form of "healthy and safe" recreation. He believed that providing recreational facilities to his workers would prevent labor problems and increase worker productivity. He wrote to the former owner of his baseball team: "As to cost, it [the "means of amusement and recreation"] represents a pretty big investment, to date, and costs considerable to keep it up. But it is much better than discontented, unhappy Labor, with frequent strikes; and if, with good steady wages and fair treatment, it makes possible for us to have a steady, uniform production, we shall be very well satisfied with the arrangement."<sup>74</sup>

Following the course that was established in the 1890s and early 1900s, the firm continued to provide recreational facilities not merely for its workers but for the community at large. Endicott Johnson did this not only to maintain cordial relations between firm and community but also to allay charges of paternalism and self-interest. Opening the corporation's facilities to the general public, Johnson believed, was "the best plan, because it takes away that uncomfortable feeling of obligation or dependence, and is not subject to the charge of 'Paternalism,' quite as much, if open to the public."<sup>75</sup>

In becoming the "godfather" of sports and recreation of Broome County, a title bestowed upon him by the *Binghamton Press* in 1931, Johnson strengthened his influence over the community and his workers.<sup>76</sup> His former battles over Sunday baseball were replicated again and again in the 1920s, as he fought for Sunday movies and Sunday horse racing, and even that unholy of all workingman's recreation, alcohol. His positions in all of these battles reinforced his carefully cultivated identity of "Workingman's Advocate." In a letter to an acquaintance, he outlined his belief that the worker was entitled to his pleasure, just as the rich man:

I do believe that people must be occupied. The working people are no different than you and I and others. We must be occupied, and we will be occupied. If we have an auto, and means which justify its use freely, we are travelling on Sundays, looking for recreation and relaxation and pleasure. Of course we have allowed people of means to enjoy their Seventh Day, or Sabbath, as it pleased them. There has not been any

attempt to govern their actions. And when you come to think of it, most restraining Laws are intended for the poor. Even our present popular Prohibition, is not expected to seriously interfere with the appetites and desires of wealthy people. . . . This Law was made for the poor, and most restraining Laws, which interfere with personal liberties are only intended to restrain and regulate the poor. I mean now the people without representation in Law-making Bodies—who have no newspapers, no public leaders—and the very natural result of this unjust and unfair situation with respect to men and women who labor, is the very natural uprising and discontent throughout the world.<sup>77</sup>

Johnson's commitment to providing recreation and sports facilities for his workers reflected more than merely "good business." After all, he had been a worker himself, an avid baseball player and fan, a lover of golf and boxing. If he used athletics and recreation to transform his workers into competitive, ambitious, and nonmilitant operatives, it was also because he partook equally in their pleasure and believed in the character traits that were fostered by sports and recreation.

The Realty Department, the medical and relief divisions, numerous social and economic services, as well as corporate rituals all functioned outside the workplace to foster a collective identity between managers and workers. But the "Square Deal" was also manifested in the world of work. Upper-management accessibility, a commitment to internal promotions, relatively high wages, and work sharing were central elements in the firm's "Square Deal." The corporation's labor policies revolved around a basic commitment to bridging the gap between operatives and managers. Not only was "accessibility" of workers to managers consistently cultivated as an image—through the employee magazines and the local press, suggestion boxes, personal responses by corporate officers to workers' correspondence, open letters to employees, and so on—but the image gained substance from the constant presence of the Johnsons in the community and in the factories. The Johnsons frequently reminded their workers that their doors were always open for the airing of complaints. Indeed, while there were certainly obstacles in the way—the resentment of foremen and superintendents, the criticism of peers, the fear of being branded a malcontent—this option was always available and was sometimes effective in resolving conflict.<sup>78</sup>

The firm's promise of internal promotions gave "accessibility" a different meaning. "All our better positions filled by promotion. All the best jobs in the Factories and Tanneries filled from the ranks. No good positions filled from the outside, but always from the inside," the firm advertised.<sup>79</sup> Although the company did not always live up to this policy, a large number of Endicott Johnson executives *did* work their way up through the ranks. Foremen and superintendents almost always began their careers as shop workers in one of the firm's factories.<sup>80</sup>



Liberal wages and a commitment to work sharing during lean economic times were the final ingredients in the corporation's labor policies. Although the shoe industry was one of the poorest-paying industries in the nation, Endicott Johnson wages were relatively high in comparison with other shoe firms, as even one strong critic of the firm acknowledged: "For many years this firm continued to maintain an hours-and-wages schedule which compared very favorably with those in the more-or-less unionized centers of Rochester on the one hand and New York City on the other."<sup>81</sup> In its work-sharing policies, the firm further demonstrated its sense of responsibility to employees by providing regular workers with a guarantee of employment even in recessions and depressions.<sup>82</sup>

Welfare capitalism at Endicott Johnson was thus composed of ideology, personality, image, and policy. By a variety of measures it succeeded. Workers *did* partially adopt the ideal of the "Happy Family," the notion of industrial partnership, and the vocabulary and symbols with which the welfare ideology was expressed, as dozens of interviews disclose. Many workers demonstrated close identification with the corporation by participating in company-sponsored social and athletic events and clubs. Insofar as welfarism sought to create a stable work force, it accomplished its goal. Employment stability appears to have been relatively high in the 1920s and through the 1940s. Quit rates, at least from 1930 to 1946, when more systematic data are available, were 40-60 percent of the industry average.<sup>83</sup> Furthermore, strikes were infrequent and of short duration, and perhaps most significant, Endicott Johnson workers continually rejected the unions. Throughout the 1920s and 1930s, union organizers made little headway among the firm's employees.<sup>84</sup>

And yet, if these were some of the indices of the success of the corporation's "Square Deal," there were nonetheless signs of failure. As welfarism at Endicott Johnson had always been Janus-faced, concerned with efficiency and productivity on the one hand and with humanitarian aims on the other, so, too, did the response of workers take on a similarly bifurcated identity. On the one hand was the experience of image, welfare, personality; on the other, work, monotony, foremen, and the authoritarian structure of factory life in general. It is this schizophrenic encounter with the firm that yielded an equally schizophrenic response to welfarism. And to understand it, one needs first to understand the workers in their factory lives.

#### NOTES

1. Thorstein Veblen, *The Theory of the Leisure Class: An Economic Study of Institutions* (New York, 1953), 220. See also Alan R. Raucher, *Public Relations and Business, 1900-1929* (Baltimore, 1968), 65-69; Stuart D. Brandes, *American Welfare Capitalism, 1880-1940* (Chicago, 1976), chap. 4; and Stephen Meyer III, *The Five Dollar Day: Labor Management and Social Control in the Ford Motor Company, 1908-1921* (Albany, 1981), chap. 7.

2. A number of excellent works on welfare capitalism exist. The most recent and comprehensive study is Brandes's *American Welfare Capitalism*. Other studies include Irving Bernstein, *The Lean Years: A History of the American Worker, 1920-1933* (Boston, 1960), chap. 3; David Brody, "The Rise and Decline of Welfare Capitalism," recently revised and reprinted in Brody's *Workers in Industrial America: Essays on the Twentieth Century Struggle* (New York, 1980); Sanford M. Jacoby, *Employing Bureaucracy: Managers, Unions, and the Transformation of Work in American Industry, 1900-1945* (New York, 1985), chap. 2; Daniel Nelson, *Managers and Workers: Origins of the New Factory System in the United States, 1880-1920* (Madison, Wis., 1975), chap. 6; Morrell Heald, *The Social Responsibilities of Business: Company and Community, 1900-1960* (Cleveland, 1970); and Stephen J. Scheinberg, "The Development of Corporation Labor Policy, 1900-1940" (Ph.D. diss., University of Wisconsin, 1967). On the contribution of welfare capitalism to the formation of the welfare state, see Edward Berkowitz and Kim McQuaid, *Creating the Welfare State: The Political Economy of Twentieth-Century Reform* (New York, 1980). Stephen Meyer III's *Five Dollar Day*, Robert Ozanne's *Century of Labor-Management Relations at McCormick and International Harvester* (Madison, Wis., 1967), and Tamara K. Hareven's *Family Time and Industrial Time: The Relationship between the Family and Work in a New England Industrial Community* (New York, 1982) are excellent case studies of three very different welfare firms.
3. Nelson, *Managers and Workers*, 115-16. Among the list were the following firms: Remington Typewriter, National Cash Register, International Harvester, United Shoe Machinery Company, General Electric, Proctor and Gamble, Goodyear Tire and Rubber, Firestone Tire and Rubber, H. J. Heinz, United States Steel, Solvay Process, and Western Electric.
4. Brandes, *American Welfare Capitalism*, 23. That engineering schools were offering such courses suggests the link between welfarism and scientific management. On this, see David F. Noble, *America by Design: Science, Technology, and the Rise of Corporate Capitalism* (New York, 1979), 265, 287-88; David Montgomery, *Workers' Control in America: Studies in the History of Work, Technology, and Labor Struggles* (New York, 1979), chap. 2 and passim; Henry Eilbert, "The Development of Personnel Management in the United States," *Business History Review* 33 (Autumn 1959): 345-64; Mansel G. Blackford, "Scientific Management and Welfare Work in Early Twentieth Century American Business: The Buckeye Steel Castings Company," *Ohio History* 90 (Summer 1981): 238-58. Welfarism and scientific management, however, were not always so intimately linked. See Daniel Nelson and Stuart Campbell, "Taylorism versus Welfare Work in American Industry: H. L. Gantt and the Bancrofts," *Business History Review* 46 (Spring 1972): 1-16.
5. See U.S. Bureau of Labor Statistics, *The Betterment of Industrial Conditions*, Bulletin, no. 31 (Washington, D.C., 1900); idem, *Employers' Welfare Work*, Bulletin, no. 123 (Washington, D.C., 1913); idem, *Welfare Work for Employees in Industrial Establishments in the United States*, Bulletin, no. 250 (Washington, D.C., 1919); "Employers' Welfare Institutions," in New York State, Department of Labor, *Third Annual Report of the Commissioner of Labor* (Albany, 1904); "Industrial Betterment Institutions in New Jersey Manufacturing Establish-

- ments," in New Jersey, Bureau of Statistics of Labor and Industries, *Twenty-seventh Annual Report* (Trenton, 1904).
6. Brandes, *American Welfare Capitalism*, 24–25.
  7. *Ibid.*, 26–27.
  8. Brody, *Workers in Industrial America*, 61.
  9. On the various notions of business efficiency (particularly "scientific management") that were circulating in the early twentieth century, see the following: Samuel Haber, *Efficiency and Uplift: Scientific Management in the Progressive Era, 1890–1920* (Chicago, 1964); Nelson, *Managers and Workers*; Daniel Nelson, *Frederick W. Taylor and the Rise of Scientific Management* (Madison, Wis., 1980); Harry Braverman, *Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century* (New York, 1974); Noble, *America by Design*; Reinhard Bendix, *Work and Authority in Industry: Ideologies of Management in the Course of Industrialization* (New York, 1956), chap. 5.
  10. From 1914 to 1917 the firm's profits increased by nearly 250 percent, from \$1.9 million to \$4.6 million. Extensive factory construction also took place during the war. Box 34, ser. 1, Charles F. Johnson, Jr., Papers, George Arents Research Library for Special Collections, Syracuse University, Syracuse, N.Y. On war profits in the shoe industry, see Horace B. Davis, *Shoes: The Workers and the Industry* (New York, 1940), 83–85.
  11. George W. Johnson to Herbert C. Clarke, Apr. 27, 1922, box H-2, IV:D, Plymouth Cordage Collection, Baker Library, Harvard University Graduate School of Business Administration, Boston. Johnson emphasized that the firm's actions were merely a continuation of its traditional labor policy.
  12. Harry L. Johnson to George F. Johnson, Feb. 1, 1917, box 3, George F. Johnson Papers, George Arents Research Library for Special Collections, Syracuse University, Syracuse, N.Y. Emphasis in original.
  13. See Meyer III, *The Five Dollar Day*, on Ford's labor management policies.
  14. United Shoe Machinery Company, *The Story of Three Partners* (Beverly, Mass., [1912]), 7, 9.
  15. "An E-J. Workers First Lesson in the Square Deal," pamphlet [1922], box 19, George F. Johnson Papers.
  16. *E.-J. Workers' Review* 1 (Sept. 1919): 32-A.
  17. *Magazine* 1 (Mar. 1919): 37. Another article declared that "the loyal worker is the man who is heart and soul with the organization, because he knows that his welfare is bound up in the success of the business." *E-J Workers Magazine* 2 (July 1924): 10.
  18. *E.-J. Workers' Review* 1 (Sept. 1919): 16.
  19. *Ibid.* (Apr. 1919): 62.
  20. George F. Johnson to Paul Wynn, Nov. 13, 1928, box 9, George F. Johnson Papers.
  21. George F. Johnson, "To the Workers" notice [1920], box 5, George F. Johnson Papers.
  22. It seems, according to Johnson, that the Endicott interests tended to oppose many of the progressive reforms of the firm. See George F. Johnson to William H. Hill, Feb. 25, 1920, box 3; and George F. Johnson to D. C. Morgan, Oct. 22, 1927, box 9, George F. Johnson Papers.
  23. George F. Johnson to George Willis Johnson, Dec. 18, 1935, box 14, George F.

- Johnson Papers. A short overview of Catchings's ideas on labor-management relations can be found in Waddill Catchings, "Our Common Enterprise: A Way Out for Labor and Capital," *Atlantic Monthly* 129 (Feb. 1922): 218-29.
24. *E.-J. Workers' Review* 1 (Apr. 1919): 59; "To the Workers" notice, Jan. 6, 1926, box 8, George F. Johnson Papers. Each worker received the following bonuses under profit sharing between 1919 and 1928: \$237.90 (1919), \$45.55 (1920), \$200.20 (1921), \$245.44 (1922), \$92.56 (1923), \$96.72 (1924), \$87.36 (1925), \$30.68 (1926), \$97.76 (1927), and \$23.92 (1928). After 1928 no bonuses were distributed until the late 1940s, with the exception of a holiday bonus in 1936. Average wages during the 1920s were about \$25 a week, hence bonus payments amounted to an equivalent of one to ten weeks' wages. The company's board of directors received an unpublicized "Special Bonus" above and beyond the profit-sharing distribution. In 1922 they shared about \$400,000. Richard S. Saul, "An American Entrepreneur: George F. Johnson" (D.S.S. diss., Syracuse University, 1966), 35; W. F. Dickson to George F. Johnson, Nov. 22, 1922, box 16, George F. Johnson Papers.
  25. George F. Johnson to W. F. Dickson, Feb. 2, 1923, box 7, George F. Johnson Papers.
  26. Brandes, *American Welfare Capitalism*, 83-84.
  27. National Civic Federation, *Profit Sharing by American Employers* (New York, 1921), 46. The National Civic Federation was surveying the extent of profit sharing in American industry. The work is an excellent summary of contemporary programs.
  28. "The Workers of McKay Upper Leather Cutting Room" to George F. Johnson, Mar. 3, 1920, box 18, George F. Johnson Papers.
  29. George F. Johnson to Mrs. Julia Bowes, Feb. 24, 1920, box 5, George F. Johnson Papers.
  30. W. F. Dickson to George F. Johnson, Jan. 24, 1923, box 16, George F. Johnson Papers. See also W. F. Dickson to George F. Johnson, Feb. 2 and Feb. 9, 1923, in the same box. Between 1922 and 1923 participation in the distribution of profits increased from 10,600 to 12,600 workers.
  31. *Endicott Bulletin*, June 6, 1919; W. D. Dickson to George F. Johnson, Feb. 11, 1921, box 16, George F. Johnson Papers.
  32. George F. Johnson, "To the Workers" notice, Sept. 26, 1921, box 6, George F. Johnson Papers.
  33. The firm issued two-year notes in amounts of five dollars and above. The Workers' Savings Plan was really a revival of an earlier company policy that had been abandoned in the 1910s. *E.-J. Workers Magazine* 3 (Dec. 1924). By 1929, with a work force of about 15,000, the number of worker stockholders had declined to 682 holders of common stock and 364 holders of preferred stock. By that year employees owned 2.3 percent of the firm's common and 2.4 percent of the firm's preferred stock. "Endicott Johnson Workers Daily Page," *Binghamton Sun*, Nov. 26, 1929.
  34. *E.-J. Workers' Review* 2 (July 1920): 17.
  35. *Magazine* 1 (Mar. 1919); *E.-J. Workers' Review* 1 (Apr. 1919); *ibid.* (Nov. 1919): 2; *ibid.* 2 (May 1920): 23.
  36. "St Joseph's Church" file, n.d., box 4, George F. Johnson Papers.

37. Sam Salvatore, interview by Gerald Zahavi, with the assistance of Deborah D. Maxwell, July 7, 1981, tape recording (personal possession); Teresa Schuttack, interview by Gerald Zahavi, with the assistance of Deborah D. Maxwell, Apr. 30, 1982, tape recording (personal possession).
38. George F. Johnson to A. G. Breckinridge, Jan. 5, 1923, box 7, George F. Johnson Papers.
39. On one aspect of this special relationship, see Jay Rubin, "The Ku Klux Klan in Binghamton, New York, 1923-1928," *Bulletin of the Broome County Historical Society* 20 (Winter 1973): 26-27 and passim. On Johnson's complex relationship to ethnic socialists and communists, see folders 5-8, box 6, New York State Joint Legislative Committee to Investigate Seditious Activities (Lusk Committee) Papers, Manuscript Division, New York State Library, Albany, N.Y. Johnson felt that as long as radicals did not pose a serious threat, they should be tolerated. Overt expressions of radicalism, he believed, were far easier to deal with than covert conspiracies; hence, he defended the right of radicals to free speech. See George F. Johnson to Edward Barder, Dec. 10, 1919; George F. Johnson to Rev. Wm. McPeak, July 23, 1920, box 5, George F. Johnson Papers.
40. George F. Johnson to J. F. Thompson, June 24, 1935, box 14, George F. Johnson Papers.
41. Stanley L. Moody, interview by Gerald Zahavi, with the assistance of Deborah D. Maxwell, June 1, 1981, tape recording (personal possession).
42. Earl I. Birdsall, interview by Gerald Zahavi, May 5, 1982, tape recording (personal possession); Helen Bruno, interview by Gerald Zahavi, with the assistance of Deborah D. Maxwell, July 13, 1981, tape recording (personal possession).
43. Salvatore, interview.
44. Other members of the Johnson family, in particular, Harry L. Johnson, also cultivated this image. Harry Johnson, manager of the Johnson City factories in the late 1910s, probably had a far stronger commitment to liberal labor policies than the elder Johnson. In fact he was being "groomed" for the presidency of the firm by his older brother. But Harry Johnson died in 1921, after suffering a nervous breakdown. Local oral tradition recalls his breakdown as a response to the cut-backs of wages and benefits instituted by the firm in the wake of the 1921-22 depression. His death, likewise, is remembered as a possible suicide and not as the product of apoplexy, which was the physician's pronouncement. George F. Johnson to G. W. Thompson, Oct. 3, 1921, box 6; George F. Johnson to Frank Montague, Sept. 16, 1921, box 6; George F. Johnson to H. L. Johnson, Dec. 8, 1919, box 5, George F. Johnson Papers; Rev. William MacAlpine, *A Brief Memoir of Harry Leonard Johnson* (Johnson City, N.Y., [1922]); conversation with Rodney K. Ketchum, Dec. 8, 1980 (notes).
45. Any issue of the employee magazine would illustrate this point. The magazine was published between 1919 and 1925, with one short interruption during the 1921-22 depression. Between 1925 and 1928 management utilized posted notices and public letters to communicate to workers. From 1928, and well into the 1960s, the corporation published a "Workers Daily Page" in the *Binghamton Sun*. A casual perusal through these pages will further reinforce my point. An almost complete run of the company magazine and the "Endicott Johnson Workers Daily Page" can be found in the various papers of Johnson family executives held by the George Arents Research Library, Syracuse University, Syracuse, N.Y.

46. George F. Johnson, "A Brief Statement of Facts of Interest to Home Owners of West Endicott" (June 1, 1923), 3, box 4, ser. 2, George W. Johnson Papers, George Arents Research Library for Special Collections, Syracuse University, Syracuse, N.Y. Also see George F. Johnson to W. F. Dickson, Apr. 15, 1924, box 7, George F. Johnson Papers.
47. *Magazine* 1 (Mar. 1919): 36. A headline in the "Endicott Johnson Workers Daily Page" (*Binghamton Sun*, June 22, 1932) declared, "Plenty of Children Encouraged by E.J. Building Program." See also George F. Johnson to Thomas Bidwell, July 15, 1931, box 11, George F. Johnson Papers. The procedure for allotting homes was not free from corruption. Bribes were sometimes given to officials in the realty office by workers eager to obtain a home. Palmer Perkins, interview by Gerald Zahavi, with the assistance of Deborah D. Maxwell, Apr. 30, 1982, tape recording (personal possession); North Endicott Senior Center group, interview by Nancy Grey Osterud, Feb. 16, 1982, summary and partial transcription (Broome County Immigration History Project).
48. H——, interview by David Nielson, June 23, 1973, transcript, 4; H——, interview by David Nielson, July 24, 1974, transcript, 322; George F. Johnson to Champion Fibre Company, May 14, 1936, box 14, George F. Johnson Papers. Because of David Nielson's pledge of anonymity to interviewees, they are not identified.
49. George F. Johnson to D. C. Warner, Aug. 17, 1920, box 5; George F. Johnson to John A. Brown, May 21, 1924, box 7; George F. Johnson to Don Morgan, Sept. 12, 1928, box 9, George F. Johnson Papers. Johnson did not want to "advertise" the pragmatic basis of home building, but he believed it was good business. In fact, home building was one of the firm's longest-lived welfare policies.
50. Johnson, "A Brief Statement of Facts of Interest," 16; Charles F. Johnson, Jr., to Leo Mills, Nov. 23, 1954, box 1, ser. 3; Charles F. Johnson, Jr., memo re: "Company Policy with Respect to Workers' Homes," Jan. 21, 1954, box 2, ser. 3, Frank A. Johnson Papers, George Arents Research Library for Special Collections, Syracuse University, Syracuse, N.Y.; John Kovak [pseud.], interview by Gerald Zahavi, with the assistance of Deborah D. Maxwell, session 1, July 15, 1981, tape recording (personal possession); Lucille Farrar, interview by Gerald Zahavi, with the assistance of Deborah D. Maxwell, July 13, 1981, tape recording (personal possession); George F. Johnson to Burl Nimmmons, June 1, 1926, box 8; George F. Johnson to E. H. Ellison, July 19, 1923, box 7; George F. Johnson to John A. Brown, May 12, 1928, box 9, George F. Johnson Papers. Benjamin Seligman to Charles F. Johnson, Jr., June 23, 1950, box 19, ser. 1, Charles F. Johnson, Jr., Papers.
51. *Binghamton Press*, Oct. 10, 1955; William Wilson Shear, "Industrial Relations in the Endicott Johnson Corporation: A Case Study of Welfare Capitalism in the 1920s" (Master's thesis, S.U.N.Y. at Binghamton, 1978), 70–72.
52. Niles Carpenter, *Medical Care for 15,000 Workers and Their Families: A Survey of the Endicott Johnson Workers Medical Service, 1928* (Washington, D.C., 1930), 13–14. It was in May 1917 that the first medical card was issued. By 1919 six doctors and four nurses were employed. *E.-J. Workers' Review* 1 (Apr. 1919): 41. A first-person account of the early development of the E.J. Medical by one of

the first doctors to be employed by the firm can be found in the *Binghamton Press*, Jan. 4, 1959.

53. George F. Johnson to George W. Johnson, Apr. 9, 1931, box 11, George F. Johnson Papers; Daniel C. O'Neil, "The Endicott Johnson Medical Service," *Industrial Doctor* 1 (Oct. 1923): 168; Carpenter, *Medical Care for 15,000 Workers and Their Families*, 9. See also Daniel C. O'Neil, "A Plan of Medical Service for the Industrial Worker and His Family," *Journal of the American Medical Association* 91 (Nov. 17, 1928): 1516-19; and idem, "Where Industrial Service Becomes Community Service," *Nation's Health* 6 (Jan. 15, 1924): 1-3, 60. Endicott Johnson's Medical Department stood out among similar divisions created in other corporations. For an overview of industrial medical facilities and services in the early decades of the twentieth century, see Brandes, *American Welfare Capitalism*, chap. 10. Brandes acknowledged that Endicott Johnson's medical system was "the grandest affair," although he did not identify the firm by name. See p. 100 in Brandes.
54. The company also carefully screened job applicants to insure that incoming workers would not create an immediate medical burden on the firm. Applicants required a doctor's approval in order to be hired. In some cases workers were hired with the stipulation that they could not obtain relief or medical services for a particular ailment. "The Endicott Johnson Workers Medical Service," pamphlet (1928), box 19, George F. Johnson Papers; Endicott Office Files, Endicott Johnson Employee Records, George Arents Research Library for Special Collections, Syracuse University, Syracuse, N. Y.
55. Carpenter, *Medical Care for 15,000 Workers and Their Families*, 22-24. The analysis of extent of use was based on a random sample of 1,358 workers, or about 9 percent of the labor force. In 1928 company physicians made 87,000 house calls and attended to 119,740 office visits. The budget for the year was over \$800,000, equivalent to about 22 percent of the firm's net profits for the year. See *ibid.*, 9, 10, 15.
56. Without exception interviewed former workers acknowledged the importance of the firm's health services. See also William Patrick Burns, "A Study of Personnel Policies, Employee Opinion and Labor Turnover (1930-1946) at the Endicott Johnson Corporation" (Master's thesis, New York State School of Industrial and Labor Relations, Cornell University, 1947), 35.
57. The Workers' Relief Association, a mutual benefit society funded by the firm and by workers, was initiated in 1916 and formed the seed of the relief division of the Medical and Relief Department. The association was far more popular and successful than the firm's initial venture of 1896.
58. Kenneth E. Compton, interview by Gerald Zahavi, May 5, 1982, tape recording (personal possession); Paul Coletti [pseud.], interview by Gerald Zahavi, with the assistance of Deborah D. Maxwell, July 13, 1981, tape recording (personal possession). On the extensive services provided by the department, see Carpenter, *Medical Care for 15,000 Workers and Their Families*.
59. Coletti [pseud.], interview.
60. Sylvan P. Battista, interview by Gerald Zahavi, with the assistance of Deborah D. Maxwell, session 1, July 13, 1981, tape recording (personal possession); Mary

- Seversky, interview by Gerald Zahavi, with the assistance of Deborah D. Maxwell, July 22, 1982, tape recording (personal possession); Salvatore, interview. One student of the firm's employment practices noted that "it is company policy to give preference in employment to relatives of workers," although he acknowledged that it was traditional rather than formal practice. Burns, "A Study of Personnel Policies," 53.
61. *E.-J. Workers' Review* 1 (Apr. 1919): 27. Another photo contained this caption: "W. L. Smith, father of this interesting group, may be found on the second floor of the New Fibre Board Mill, where he has worked for over four years. He is an enthusiastic booster of E.-J., and we hope that in a few years we will have added the children to our happy family of workers." *Ibid.* 2 (July 1920): 17. The Johnsons gave newborn "E.J. Babies" a pair of shoes and a savings account with ten dollars in it.
  62. *Ibid.* 1 (Apr. 1919): 45.
  63. Owen J. Ryall, interview by Gerald Zahavi, with the assistance of Deborah D. Maxwell, Apr. 30, 1982, tape recording (personal possession); Schuttak, interview; Norman W. Councilman, interview by Gerald Zahavi, with the assistance of Deborah D. Maxwell, June 5, 1981; Battista, interview, session 1. Surviving employee records and the 1925 New York State manuscript census give further evidence of extensive family employment. More information on recruitment of workers will appear in the next chapter. Tamara Hareven found a similar pattern in the Amoskeag Manufacturing Company in Manchester, N.H. See Tamara K. Hareven and Randolph Langenbach, *Amoskeag: Life and Work in an American Factory-City* (New York, 1978); and Hareven's *Family Time and Industrial Time*.
  64. Numerical estimates of the female labor force for 1927-28 are extrapolated from percentage figures of the corporation's auditor. Women made up about 35 percent of the labor force in 1927-28. Statistics on female employment should be used with caution since women were far more subject to seasonal unemployment than men due to their concentration in the fashion and seasonal footwear departments of the firm. Yet, whatever the exact figures, Endicott Johnson *did* employ large numbers of married women, a fact that generated some controversy at the time. Apparently, the publication of this fact carried with it the implication that the firm exploited cheap female labor and disrupted traditional family roles. George F. Johnson to *American Shoemaking*, Dec. 20, 1927, box 9, George F. Johnson Papers; "Endicott Johnson Workers Daily Page," *Binghamton Sun*, June 8, Sept. 18, 1928; New York State, Department of Labor, *Special Bulletin: Women in Binghamton Industries* (Mar. 1928).
  65. More details on the origins of the labor force follow in the next chapter.
  66. Moody, interview.
  67. George F. Johnson to George W. Johnson, Apr. 30, 1929, box 10, George F. Johnson Papers. The well-orchestrated parades, however, made it difficult for Johnson to tell when his workers were demonstrating genuine affection or when it was merely contrived. Upon the occasion of one such "tribute," he wrote to a friend that "because it was seemingly spontaneous and natural, and not manufactured, I permitted myself to enjoy it to the fullest." Yet even as he "permitted" himself to enjoy it, Johnson had his doubts, reflected in his use of the



- word "seemingly." George F. Johnson to Louis J. Warner, Apr. 13, 1923, box 7, George F. Johnson Papers.
68. On the broad notion of "industrial time," see Hareven, *Family Time and Industrial Time*.
  69. William Inglis, *George F. Johnson and His Industrial Democracy* (New York, 1935), 254.
  70. *Ibid.*, 277. See Brandes, *American Welfare Capitalism*, chap. 8, for a more extensive discussion of the origins and function of industrial recreation programs.
  71. On the firm's athletic and recreational programs, see Inglis, *George F. Johnson*, chap. 15; and William J. Duchaine, "Industrial Recreation Here Embraces the Entire City," *Industrial Sports* [12] (Aug. 15, 1952): 27-28, 31.
  72. Quoted in Inglis, *George F. Johnson*, 257.
  73. See, for example, "Endicott Johnson Workers Daily Page," *Binghamton Sun*, July 17, Aug. 14, 1928. For a discussion of the replication and reinforcement of work values in baseball, see Steven M. Gelber, "Working at Playing: The Culture of the Workplace and the Rise of Baseball," *Journal of Social History* 16 (Summer 1983): 3-22.
  74. George F. Johnson to John C. Calhoun, Aug. 13, 1919, box 5, George F. Johnson Papers.
  75. *Ibid.*
  76. *Binghamton Press*, Aug. 26, 1931.
  77. George F. Johnson to William A. Dillon, Apr. 18, 1919, box 5, George F. Johnson Papers. On Johnson's positions on Sunday movies and Prohibition, see *Endicott Bulletin*, Jan. 6, 1920; George F. Johnson to Benjamin H. Dittrich, Jan. 29, 1921, box 6; George F. Johnson to Ransom H. Gillett, Mar. 15, 1920, box 5; George F. Johnson to William H. Anderson, Sept. 21, 1922, box 6; George F. Johnson to Ransom H. Gillett, Oct. 13, 1922, box 6, George F. Johnson Papers.
  78. Although some letters to the Johnsons and personal interviews suggest that individual workers feared the possible wrath of their foremen and foreladies if they chose to go over their heads, many other workers related instances of successful use of this option.
  79. "An E-J. Workers First Lesson in the Square Deal." The firm continually publicized this policy. See also the pamphlets "Endicott Johnson Workers: Tanners and Shoemakers" (1936) and "70 Years of Mutual Respect and Confidence" (1953), in box 19, George F. Johnson Papers.
  80. This was true at least until the late 1950s.
  81. Davis, *Shoes*, 147. Davis participated in the CIO attempts to organize the firm in the late 1930s and early 1940s.
  82. William Patrick Burns, after analyzing Endicott Johnson turnover rates, concluded: "At Endicott Johnson, there were no layoffs between January 1930 and April 1935, with the exception of Dec. 1933, when a layoff rate of .38% is recorded. During the entire prewar [World War II] period, layoffs in the industry amounted on the average to 2.4% per month. In Endicott Johnson they were .1% per month. Roughly, the layoff rates in the industry were twenty four times the size of those in Endicott Johnson." During World War II, layoff rates at Endicott Johnson were one-quarter of the industry average (0.1 percent versus 0.4 percent a month). Burns, "A Study of Personnel Policies," 88-89. The firm did, however,

maintain a category of "temporary" workers to whom no employment or welfare obligations were beholden (see chap. 5). During the Great Depression of the 1930s, they amounted to between 3,000 and 4,000 workers. Whether these workers were included in turnover rates reported to the Bureau of Labor Statistics, the data upon which Burns bases his conclusions, is not specified. Internal company records suggest they were not. Nonetheless, for "regular workers" work sharing was a reality.

83. For the period 1930 to 1941, the average monthly quit rate at Endicott Johnson was 0.6 percent, compared with the industry average of 1.0 percent. For 1942 through 1946 it was 2.0 percent versus 5.0 percent for the whole industry. Endicott Johnson rates are based only on Endicott employment office records, and not the firm as a whole. See Burns, "A Study of Personnel Policies," 88 and 83-103, for a thorough discussion of labor turnover at Endicott Johnson in the 1930s and 1940s. On labor stability in the 1920s, see Shear, "Industrial Relations in the Endicott Johnson Corporation," 54-59; see also Saul, "An American Entrepreneur," 307, for similar conclusions about turnover at Endicott Johnson. For a general discussion of the favorable impact (from a managerial perspective) of progressive employment policies on labor turnover, see Sumner H. Slichter, *The Turnover of Factory Labor* (New York, 1921), chap. 12.
84. Attempts to unionize the firm will be treated in later chapters.