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Soup, Justice and Workplace Democracy: The Columbia Conserve Company, 1917-1943

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A Commitment to Industrial Democracy

The Columbia Conserve Company, located at 1735 Churchman Avenue (at the Belt Railway) on the south side of Indianapolis from 1912 to 1953,[2] employed some 200 workers at its height. Its business activity was canning tomato, chicken noodle, and other varieties of soups, and related items such as pork and beans, tomato juice, and catsup. Yet if soup was the main product at Columbia, justice in the workplace was its primary purpose or sine qua non. Under the leadership of its president, William P. Hapgood, and the cooperation of several members of his family who owned the company, a comprehensive experiment in industrial democracy was launched at Columbia that endured for a quarter of a century from 1917 to 1943. During this period of time, Columbia received national and international recognition for such innovative achievements as: a workers' council which managed the company; a profit,-sharing and stock trust plan that resulted in majority ownership of the company by employees; and various workers' benefits such as free comprehensive health coverage, a pension plan, and sickness and disability pay.

Speaking on January 6, 1920, at the Annual Meeting of Stockholders, which included employees, Hapgood, made reference to the fact that Columbia had just completed the thirty-second month of its "experiment in employee management." He emphasized that the experiment had produced, if nothing else, the important achievement of eliminating "ill-will from our business." Stating his belief that such antagonism "between employees and employers is almost entirely responsible today for our industrial ills" Hapgood went on to observe that the reason such ill-will had been vanquished from Columbia was due to the fact that the company was "operating on the best principle of life, that is, justice." Proposing that two members of the Board of Directors, in a departure from previous practice, be elected from the rank and file during elections later that evening, Hapgood defended his proposal by reference to this same "principle of justice" and the need for "some means by which the voice of any individual employee, no matter what his rank, can carry through any opposition to the final control of the business. . . ."

Hapgood (1934, p.4) was more articulate about this concept of workplace justice in a pamphlet about Columbia's experiment written some years later in which he argued that justice has to do with a recognition of the right of workers no less than that of owners/managers to share equally in the decision-making process:

> Just as in political government, the making of laws is a human right and not an economic right, so in industrial government the control and direction of business should be vested in the industrial citizens, the workers. These laws should deal with all matters concerning those who work. Not only would the workers determine the length of time they should work, but they would also determine their incomes, their share of the total production, choose their own associates and release them, elect their own leaders, promote and demote them, and decide upon all the policies of the business.

While the above proposition would have struck many people in Hapgood's time and, indeed, our own period today as a non-sequitur, nonsensical viewpoint at best—and as an extreme, radical and subversive idea at worse—it was not a political or revolutionary position, let alone trade union labor politics, in the ordinary sense of those words that Hapgood was here espousing. For Hapgood, the idea of industrial democracy was simply a logical, self-evident extension and *progression* of the American *political culture*, rooted in democratic values and norms, to the industrial setting. Justice in the workplace, just as in government and political affairs, meant the elimination of autocratic decision-making power, based on the somewhat arbitrary privilege of ownership, in favor of democratic decision-making based on the right of all who are subject to such decisions to participate in the process. As Hapgood (1934, p. 6) wrote: "In a genuine democracy each one of us must have the opportunity to share in making decisions as to the rules under which we live together."

Yet while justice and democracy in the workplace was viewed by Hapgood as good and desirable for its own sake, he also emphasized that industrial democracy was vastly superior to its counterparts in promoting industrial efficiency. Industrial democracy was superior not only because it reflected American ideals of democracy, equality and justice; it was also superior because of its great utility in promoting organizational efficiency. Hapgood made this point clear in a speech he gave at the 1920 Annual Meeting of the company when he observed that workplace democracy eliminates "enormous waste" and "inefficiency." The key to avoiding what Hapgood called the "waste of brains," for example, and having "men and women in industry using their minds" on their jobs and in their work, is for them to have the "correct attitude toward the business." Yet in order for such an attitude to exist on the part of the worker it cannot be imposed externally from the outside; it must be voluntarily accepted and validated by the worker if workers are to strive to make themselves into "efficiency expert(s)." Workplace democracy was desirable for Hapgood because, rooted in the principle of justice and equality for all workers, it encouraged the individual worker to perceive his or her self-interest as being advanced when the business itself is advanced. The legitimacy of decisions arrived at collectively through a democratic process was thereby enhanced, increasing the likelihood of worker acceptance and compliance with those decisions. As Hapgood (1934, p. 34) later wrote: "When a group of people have authority to make the rules by which they live and labor, they will nearly always abide by those rules." In the language of modem sociology (Blumberg, 1968), worker alienation is reduced and worker satisfaction, commitment and productivity are enhanced through workplace democracy.

Hapgood (1920, p. 12) was critically engaging and decisively rejecting Taylorism, the industrial efficiency model prevalent in his era. As Hapgood saw it, Taylor's so-called scientific management approach to the workplace was flawed because it failed to get at the root cause of worker productivity:

> You will recall that a man named Taylor made a great name for himself by what he called efficiency work. In my judgment he began at the wrong end; he went at it in the wrong manner. He tried to get increased efficiency by decreasing the amount of movement made by the employees, by putting in his watch system, by putting on tests... I do not think any efficiency movement will result satisfactorily unless the desire comes from the foundation -- from the men and women working in the factory. If you WANT to be efficient you will be. If you wait for some of us above you to force you into efficiency, you will not be.

Taylor approached the problem of worker efficiency externally, from the outside, as a technical matter to be solved administratively through a specification of the right organization of the work task. Hapgood instead approached the issue of worker productivity as a socio-political problem involving recourse to such fundamental principles as justice and democratic organization. Just as Hapgood viewed the rank-and-file worker as a social and political being with more or less the same basic needs, if not always the same talents, as the "technician" (supervisory, professional staff),[3] he likewise viewed the factory as a socio-political entity and challenge.[4]

Hapgood believed he understood better than Taylor what it would take to have workers identify with the business and to exemplify the same kind of commitment and dedication on the job as shown by owners, management, and other "technicians" (professionals). What it would take, Hapgood (1934, p, 4) reasoned, is nothing less and nothing more than applying the American solution to government to the sphere of business and the establishment of industrial democracy. The solution seemed perhaps self-evident or obvious to Hapgood: "Government of the workers, by the workers, for the workers."

It is interesting to note, with regard to worker efficiency at Columbia, the conclusions of a contemporary, Paul H. Douglas (1922/23, pp. 22-25), who had studied Columbia: “On the whole...there seems to be more than substantial justification for Mr. Hapgood's belief that the company has fared better with the plan than without it...because it has resulted in the workers putting their best efforts and intelligence into developing the business." Douglas offered several examples of labor-saving devices created by employees: an automatic feed on the catsup-filling machine conveyor belt, a low-level vat in the kitchen from which soup ingredients are pumped into large kettles several feet above the floor, and an automatic process for cleaning chicken soup cans of fatty drippings after being filled. As further evidence of worker efficiency, Douglas (1926, pp. 39-40) cited the "eager and inventive spirit" reflected in Columbia's success in canning chop suey, which its rivals could not duplicate. He likewise reported that hourly output in 1922 was 46% higher than the 1918 average, and in 1924 it was 78% above that of 1918.

It is worth noting that Hapgood’s emphasis on the principle of workplace democracy sharply differentiated him from the mainstream of labor no less than that of the business world of his time. Two examples may be cited to illustrate this point. First, Samuel Gompers (1920, p. 286), to alleviate the apprehension of business leaders in his advocacy of collective bargaining, opposed precisely the kind of worker control and participation put forward by Hapgood:

“Collective bargaining does not imply that wage earners shall assume control of industry, or responsibility for financial management... there is no belief held in the trade unions that its members shall control the plant or usurp the rights of owners.”

Second, the American Federation of Labor in 1925 fully endorsed Taylor's system of scientific management. In so doing it embraced the basic philosophical tenets of Taylorism, which involved viewing the issue of industrial efficiency according to a rather narrowly defined technical perspective that excluded a concern with such fundamental humanistic issues as justice and democratic decision-making for workers in the workplace. Consistent with this philosophy, in fact, the A.F.L. rejected an application by Columbia for a union charter, as reflected in the following letter of November 12, 1932, from William Green, President, American Federation of Labor, to the Columbia Conserve Company: “the conclusion reached by the Executive Council was adverse to the proposal, as...the relations between the Company and its employees are not the relations of employer with its employees, paid a stipulated wage per day or per week, but the employees are stockholders in the Company and are not paid on a wage working basis.”[5] The American labor and trade union leadership, ironically yet perhaps not surprisingly, found itself in the position of rejecting one of the more progressive strands of the American nascent labor movement of the early twentieth century. Organized labor apparently had no more stomach for democracy in the workplace than did the mainstream business community.

Neither fish nor fowl, the Columbia Conserve Company, with its commitment to social justice in the workplace, did not fit into either the trade unionism or the capitalism of its day. The message was clear: Columbia along with the precious few other businesses organized around the principle of democracy, would be isolated from both traditional business and labor and would have to sink or swim, make it or perish, pretty much on its own.

The Early Years: 1917-1924

While Columbia had been in business for several years prior to the beginning of its experiment in workplace democracy, it was not until 1917 that it had produced a significant profit. Due in part to this financial success, the pro-worker sentiment of the firm's major owners, William P. Hapgood's mother and brothers, and the urging of Columbia's president, William P. Hapgood himself, Columbia took several important steps toward establishing democracy at the business in the period 1917-1924. These included: (1) a workers' council which was responsible for managing the business, (2) a profit-sharing plan for workers, and (3) employee representation on the Board of Directors.

Workers' control and involvement in managing Columbia began in 1917 with the creation of a leadership Committee consisting of ten persons, seven of whom were elected factory representatives and three others who were appointed by the owners.[6] The Committee had all managerial authority, subject only to the Board of Directors,[7] over policy and operations for the company. During the first year only, William P. Hapgood had the right of veto over any of the Committee's decisions and, in later years, this veto power was extended to the Board of Directors.[8] In theory this Committee, and later the Council which replaced it, decided all matters by a simple majority vote, but in practice this body often sought to arrive at a consensus on matters it dealt with.[9]

Hapgood (1934, pp. 4-5) observed that the first problem in moving toward workers' control of the business, namely, gaining the trust of workers and overcoming their distrust of owners, was an easier one to solve than the second problem of overcoming workers' lack of confidence in themselves. Whether or not one accepts Hapgood's view of the relative ease of solving the first over the second problem, it seems clear that the Committee did not waste much time -- nor appear to have lacked enough confidence -- to test both the limits of its decision-making power and the extent of Hapgood and his family's commitment to sharing such authority with workers. Early on in its tenure in 1917, the Committee tackled two important issues: the schedule of working hours and the placement of rank-and-file workers on salary.

A work week of fifty-five hours during most of the year, except during the peak packing season from late August through October when longer hours were required, was the norm at Columbia. At the end of the second month of its operation, the Committee sought to change this norm by proposing a reduction from 55 to 50 hours per week. Perhaps not coincidentally, members of the Committee first brought this matter up for discussion during Hapgood's absence, when it was endorsed by those present. Although William P. recommended upon his return, and the Committee agreed, that the implementation of the decision be delayed for a month due to an increase of sales, the new fifty-hour week was enacted after this short delay. This was the norm at Columbia until 1921, when Council, after a brief trial period, reduced it to a forty-four hour work week (an eight-hour day, five days a week and a half-day on Saturday), excluding, again, the peak canning period from August through October which required a greater hours.[10] Shortly thereafter, in April of 1922, the working schedule was again changed to a five-day week and nine-hour day during the non-peak period.[11] The latter was reaffirmed in November 1923 with the added provision that workers will be paid for a full ten hour day although they work only nine hours. [12]

It is worth noting that the canning industry was no different during Columbia's time than it is today, namely, a highly seasonal industry in which work is concentrated during the harvest period when products such as tomatoes must be packed within a very short time. It is certainly one of Columbia's most remarkable achievements that it was possible for the Committee in 1917 to discuss and eventually approve a policy of year-round employment for most employees. This was accomplished through placing the majority of workers, except for a small group of surplus temporary wage workers employed only during the canning season, on annual salary. As Hapgood (1934, p. 21) observed: "We finally agreed that our first responsibility thereafter should be regularity of employment... Accordingly we placed most of the wage force on a salary basis with the understanding that they would be retained by the year..."

The Committee was replaced in 1918 by a dual governing structure involving a Council, which assumed the Committee's former decision-making authority, and a Factory Committee, which became advisory to Council until 1920, when it was disbanded due to apparent lack of interest.[13] Council membership was initially restricted to supervisory staff such as department heads, while the new Factory Committee was an elected body of "rank-and-file" (i.e., non-supervisory) workers. Within the space of a few years, however, criteria for membership on Council was broadened sufficiently to be open to any regular, full-time employee who was willing and able to attend its bi-weekly meetings (Hapgood, 1934, p. 15; Douglas, 1922-23 & 1926). In June, 1921, Council decreed that any salaried employee could become a member by attending eight consecutive meetings; likewise any Council member who missed two consecutive meetings without reason could be dropped.[l4] Even this restriction was removed in 1924 so that any employee, including wage workers, could attend and vote in Council meetings without prior attendance (except on an issue that the Council determined could be voted upon only by its senior members, a situation that occurred only once in 1925).

A very generous profit-sharing plan by any standard then or now was introduced at Columbia in 1917-18 in which all profits, after expenses and taxes, were to be divided equally between stockholders and employees. For this purpose an annual salary of $1000 was made the equivalent of $1000 worth of stock and both the worker and stockholder received the same dividend based on their $1000 "share." Profit-sharing was limited in 1917-18 to salaried employers and dividends were often paid in the form of stock which Columbia would buy back at par value from employees for cash. The dividend paid to stockholders and employees alike was 10% in 1917, 12% in 1918, 6% in 1919, 12.5% in 1922, and 10% in 1924. Columbia made no profit in 1920, 1921, and 1923, due to depressed business conditions. Workers' share of total profits amounted to 10.8% in 1917 and $11,800 was distributed to employees, workers' share was 8.7% of all profits in 1918 and $5,900 was allocated, workers' share was 8.8% of all profits in 1919 and $5,000 was distributed to workers, workers' share of profits was 14.6% in 1922 and $6,880 was distributed to employees, and workers' share of profits was 17.9% in 1924 and $12,600 was distributed to employees.

Beginning in 1920, at Hapgood's suggestion, two of Columbia's five-person Board of Directors were to be from the rank-and-file, non-supervisory class of employees.[15] Hapgood hoped that greater representation of the rank-and-file worker on the Board would alleviate any lingering concerns or doubts on the part of the rank-and-file that the interests of the majority of workers were not being safeguarded. Over time, as the membership and authority of Council increased, the Board of Directors became less and less prominent in company affairs to the point where it became a virtual rubber stamp for the decisions of Council.[16] Council dealt with a wide range of topics, including manufacturing decisions and marketing strategies, an employee classification system for salary and a determination of each employee's salary, including the salaries of Board members and company officers, as well as the range of benefits they should receive.

Placing Columbia’s workplace democracy in perspective, a few facts concerning profit sharing and employee management in the industrial era of its time speak volumes. As of 1923, businesses with 250 or less employees represented 96.5% of all manufacturing concerns and only 3.8% and 2.5%, respectively, of small plants offered profit-sharing plans and works councils.[17] In 1920, the National Industrial Conference Board found only 97 profit-sharing plans in existence in the country.[18] In 1919, there were but 18 works councils among industrial establishments (seven in the food industry) of less than 200 employees, and even fewer -- 12 -- by 1924.[19] And in no case did any of these works councils actually have managerial authority and responsibility comparable to that of Columbia's Council.[20] As one contemporary student of Columbia, Paul H. Douglas (1922/23, p. 6), observed: "Unlike every other shop committee that I know of, no subject was excluded from their consideration, for they were empowered to deal with any question that related to the factory as a whole, whether it had to do with adjusting 'wages, hours and conditions of labor' or general factory problems of management."

The Golden Years: 1925-1930

By the year 1925, Columbia had achieved considerable success in establishing workplace democracy through its employee management and profit-sharing plans. Norman Hapgood, William's brother and also a major stock-holder in the company, stated at the Annual Meeting of January 18, 1924, that Council "has really learned its job," in reference to its ability to successfully manage the company during a period when William P. Hapgood was ill and unable to work. Columbia had put into place by 1925 a number of progressive employee benefits and working conditions. In addition to placing workers on regular, full-time employment throughout the year and shortening working hours, workers also received a month-long vacation with pay, full pay due to sickness and injury, and a fully paid maternity leave of six weeks for both wage and salary workers -- the latter representing Columbia's innovative leadership in many areas taken for granted by labor today.[21] Yet even more was to be accomplished at Columbia in the next few years that would further solidify its framework of workplace democracy and significantly add to employee benefits and working conditions.

Perhaps the single most important event during this period was the offering and acceptance of a contract between stockholders (primarily the Hapgood family) and salaried employers which provided for the eventual ownership of Columbia by its employees. Professor Douglas (1922/23, p. 32) of the University of Chicago, who had visited and studied Columbia in its early years, wrote: "It is conceivable that the absentee owners of the company may come to disapprove of the experiment and call a halt upon it." He concluded that it would be "desirable for the workmen gradually to take up the stock of the owners and thus come to own as well as to manage the industry." Accordingly, the Hapgood family began in late 1924 to discuss with Council a plan whereby employees could acquire ownership and control of Columbia. Professor Douglas in fact visited Council in March 1925 to discuss the Hapgood proposal with employees and, after revision and re-submission of the plan, a long discussion was held on December 18, 1925, in which Council voted 57 to 1, with one abstention, to accept it.

The new contract between Columbia's stockholders and its salaried workers assigned net profits to workers after (1) dividends of 10% were paid on common stock and salaries, [22] (2) reserves were set aside for taxes and depreciation, and (3) 10% of the remaining amount was set aside as a pension fund under control of Council. Net profits were to be used by workers to purchase common stock at $150 per share until all common stock had been bought. Not unlike the year 1917, when workplace democracy began at Columbia, 1925 was a very profitable year which resulted in some $50,000 becoming available to salaried employers for the purchase of common stock. Council decided on January 5, 1926 to establish a trust fund for workers overseen by three trustees elected by Council who would have legal title to the common stock acquired by this contract and the right to vote at the annual stockholders' meetings "subject to the advice and consent of Council." The final contract was signed on January 15, 1926, by 93 salaried workers. Due to profitable years from 1925 through 1930, with the exception of 1927, workers at Columbia acquired 51% of common stock in July, 1930, and legal control of the company, a fact that was widely reported in most major newspapers throughout the nation, including the New York Times, Indianapolis Star and Indianapolis Times. Within a few more years, workers collectively owned 63% of common stock.

Working conditions; including wages and other employee benefits, improved substantially during this period. When older workers were no longer able to work, they were provided with pensions.[23] Group life insurance was also made available to employees with the company paying 25% of the cost. A health committee was established in 1926 and successfully recommended to Council in 1927 that a physician be engaged to make daily visits to the plant for consulting about employees' illness and accidents. This program was expanded in 1929 to include regular examinations for employees and other medical intervention, including hospital care, at company expense. There were physicians on staff along with a medical advisor, [24] Columbia also took financial responsibility for the health care of dependents, at first by establishing a fund which would loan funds to employees to repay on the basis of ability to do so, and, then, later by underwriting the cost for all dependents.[25] Dental and eye care for employees, including the cost for one pair of glasses, was included as part of the health beneft.[26] And, indicative of their new positions as employee-owners, Council decided in July, 1929, that salaried employees would no longer be required to punch in on the time-clock.

Education was another central concern to Columbia that was demonstrated in several ways. It had become customary from the outset for outside speakers to be invited to speak at Council meetings on topics of general interest, especially those involving social and labor issues.[27] An arrangement between Antioch College, Ohio, and Columbia existed in which male and female students were hired for alternate, rotating six-week internships at the company.[28] Students from such universities and colleges as Ames Agricultural College, Iowa, Indiana Central University (now The University of Indianapolis), Butler University, and Earlham College, Richmond, were employed so that they might learn about industrial democracy and as a means of potential recruitment of college graduates to Columbia.[29] Columbia workers were given a chance to further their education through scholarships for summer school at the University of Wisconsin and other schools.[30]

Perhaps the most compelling evidence of Columbia's commitment to education is exemplified by its extraordinary efforts to "start an educational department to deal with the social sciences, beginning with economics and the history of the labor movement." (Hapgood, 1934, p. 38) Council made the decision to employ an instructor in "the history of economics and social philosophy" in July 1925. [31] Several months later on November 13, 1925, on the recommendation of William P. Hapgood, Council made an offer to Jack Evans, a teacher who had experience instructing miners in Wales. Although initially reluctant to accept the offer,[32] Jack Evans did finally agree to join Columbia in November 1926,[33] assuming at first the roles of librarian and chair of the library committee.[34] Classes were begun in late February, 1927, and demand was sufficient by April of that year to require doubling the number of classes to alleviate overcrowding.[35] Another teacher and a graduate of Yale University, J. Levering Evans, was offered a position at Columbia in April, 1927, due to the apparent demand for classes.[36] This educational program was short-lived, however, due apparently to a lack of continuing interest on the part of workers. Hapgood (1934, p. 39) wrote: “The classes were held outside of working hours and most of the workers were too tired to apply themselves to a new undertaking following the regular day's work. It was difficult, also, for them to understand how the information they were acquiring in classes would assist them in business.” The program was revived again in 1930 with 14 classes per week in such areas as Industrial History, Elementary Economics, and Labor Problems, with a total enrollment of 83 employee-owners. However, this program was once again abandoned with the advent of the Depression and the company conflict of 1932-1933.

Personnel issues, especially salary matters, appear to have dominated much of Council's attention throughout the mid to late 1920s. Prior to 1925 there were three or four categories for classifying most employees with the exception of supervisory staff such as foremen and forewomen, department heads, and other administrative personnel and excluding most salesmen who were on a commission basis. Women were paid on a parallel but lower scale. For example, the salary scale for males and females per week over the seven year period 1917 to 1924 was as follows (minimum, class c, to maximum, class a, rates):

YEAR	MALES	FEMALES
1917	$14 - 17	$09 - 11
1918	$17 - 19	$12 - 14
1919	$21 - 24	$13 - 15
1920	$22 - 26	$14 - 17
1921	$22 - 26	$14 - 17
1922	$22 - 26	$14 - 17
1923	$24 - 27	$16 - 18
1924	$24 - 27	$16 - 18

On January 23, 1925, Council abolished the foregoing classification system for salaries and appointed a committee to formulate a new plan. The main reason for dissatisfaction with the old system was that there were too few categories for satisfactory placement of all workers. Accordingly, the committee reported back on New Year's Eve day with a new salary scale of ten levels beginning with a minimum of $18 for level 1, $24 for level 5, $30 for level 9, and any amount over $30 determined by Council for level 10. The scale was gender neutral or the same for men and women, however, most women at Columbia tended to occupy positions at the lower end of the scale except for those few in an office or supervisory capacity. The salary scale as well as the philosophy underlying it was changed again on March 24, 1926, when it accepted a committee's proposal "to pay married man in proportion to his financial needs." Council decided to establish $24 per week as the minimum salary for a married man (versus $19 minimum for a single male), with the further stipulation that every man who currently received less than $30 would receive an additional $1 per week for each child under 16 years old, up to three children, and up to a maximum of $30. Payment over $30 per week was to be based only on merit and not on the basis of financial need.

The issue of gender equality under this new system of payment based on need was brought to Council on March 25, 1927, when it considered and voted down several motions concerning female heads of households being placed at the same minimum salary of $24 as men were then receiving.

However, as was the Columbia way, it was decided to defer this topic to a later meeting after a committee had time to study the matter and make a recommendation to Council.[37] It was agreed shortly thereafter that the marriage differential and child allowance would be paid to any woman who was the head of the household and the chief economic provider for her family, demonstrating Columbia's commitment to gender equality and justice. On this score, Columbia displayed a real commitment to gender equality in the workplace which was many years ahead of general American business practice.[38]

Apparently anxious about the newly revised salary schedule and those placed within it, Council appointed on May 20, 1927, a brand new committee, the Salary Key Committee, to examine the salaries of all employees and to suggest if necessary another new salary key. The committee reported back to Council in July, 1927 with the new salary key, which included not only familiar rating criteria such as work efficiency but also less familiar criteria such as understanding of Columbia' s co-operative goal. The new salary guidelines were approved and the Salary Key Committee spent the next half a year determining employees' salaries on this basis.

Several important policies in relation to salary issues were decided by Council in December, 1927. These included on December 3rd and 5th a unanimous reaffirmation of the belief in a minimum salary (then $19 per week), approval of a $9.50 per week marriage differential, and approval of a $1 per week increase in the child allowance to $2 per child per week.[39] On December 9th and 10th, Council decided that single men and women would begin at the same minimum salary, the marriage differential and child allowance would be paid to employed widows and widowers to enable them to care for their children, the single minimum salary would be raised to $20.50, and that the marriage differential would be an additional 50% of the single minimum salary (or $10.25).

As if all this were not enough, salary issues continued to be discussed in Council throughout 1928 and 1929. Hapgood (1934, pp. 28-29) summarizes this process and the final outcome.

> At one time we spent over a year in an attempt to find a scale by means of which we could more clearly determine the contribution of the employee to the business, and thus estimate more exactly what his income should be. Finally a committee of the most able men and women in the plant was chosen to give this problem serious study.... In the early part of 1929, after the committee had reported its complete inability to find a satisfactory method of payment based on comparative merits, Council reviewed its whole experience with the problem and agreed unanimously that payment of salaries on the basis of need should henceforth be our method.

To pay wages and salary on the basis of need rather than merit represented a radical departure from the customary practice employee compensation. Throughout April and May, 1929, every employee's rating and salary was reviewed by Council according to two different sets of criteria: (1) efficiency and (2) need. Nearly every employee, except for a few technicians, received higher pay when being rated under the new system for payment according to needs. Council decided to pay on the basis of need except for those persons who wished to be paid strictly on the basis of efficiency because their salary would be higher this way. In addition a needs committee was charged with the responsibility of reviewing requests for special needs (Hapgood, 1934 p. 30). With the adoption of this salary plan based on need, Columbia clearly departed from the mainstream views of both big business and organized labor with regard to employee wages and compensation.

The Depression Years and Early Strains, 1931-1932

The financial impact of the Depression was initially very mild at Columbia. In 1930, Columbia was by far the leading national packer of private label soups for over 160 private labels, and these brands were distributed through 500 jobbers and over 250 distributors nationwide in most states and major cities/towns. Its business outlook in 1930 was excellent and, in the absence of clear economic signs of a severe and significant disruption of the business cycle just around the corner, Columbia entered the

1930s highly optimistic and quite unprepared for the economic decline that was to come.

The first indication that the financial situation of the company was more serious than anyone realized was the financial report of March 20, 1931, and news of a sharp decline of 30% in sales. Still, at this point in time, William P. Hapgood believed that the sales problem was primarily a marketing and distribution one involving jobbers and, therefore, a problem capable of remediation with greater sales effort on the part of the company. It became increasingly apparent, however, throughout the late spring and summer of 1931 that the general economic situation was becoming steadily worse and would likely remain so for some time. Canned soup, after all, had been bought by consumers for convenience and as a time-saver, and as the depression widened and deepened and more people lost their jobs and incomes declined, soup became a luxury that many could no longer afford.

In April and May, 1931, Council debated whether or not to release wage workers. After hearing the recommendation of a committee, and after much emotional debate and soul-searching, Council reluctantly voted on May 15, 1931 to let wage workers go. In retrospect, this lay-off would signal the beginning of difficult financial times at Columbia and would be the first of many cutbacks that would have to be imposed over the next months. Two weeks later, on May 29, 1931, Council discussed a proposal put forward by William P. Hapgood for a 50% salary reduction for all salaried employers in order to cope with the growing deficit. In part this suggestion resulted from Columbia's inability to repay, in view of the seriously depressed economy and resulting slow sales, a twelve month loan to Fletcher American National Bank of Indianapolis. Although another loan was secured from the Central Trust Fund of Chicago at a lower interest rate to meet the latter obligation, operating expenses were quickly outpacing slow soup sales and Council agreed on June 1, 1931, to the temporary salary reduction of 50% of the 1930 salary rate for as long as financial conditions made it necessary.

All cost cutting measures at Columbia were predicated on the co-operative principle that salary reduction was preferable to the discharge of any employee due to economic reasons.

Although some employees did resign or were fired for cause during this period, Columbia laid off no salaried employees due to financial exigency at this or any other point in its history, an exceptional performance for such a business at the time. By the beginning of September, 1931, salaries were raised back to 70% of the 1930 rate; by the beginning of October, 1931, to 80%. However, due to the worsening economic situation, another salary reduction in the spring of 1932 of about 20% was proposed, and on April 22, 1932, Council agreed after much discussion to reduce salaries to about 60% of their 1930 rate.

There was disagreement about whether health benefits and other aspects of the "social program," as it was referred to, should be sacrificed prior to a salary reduction, but a majority of workers favored retaining the benefits and, instead, reducing salary for all. As the economic situation continued to deteriorate, several additional cost-cutting measures were debated and eventually instituted within the next few months.[40] More drastic measures were voted by Council in May, 1932, including a further 33% reduction in payroll (every third paycheck was skipped) due to a lack of operating funds, elimination of free health care for dependents, and elimination of free meals at the plant during overtime.

Council had approved the first proposal for a 50% salary reduction on June 1, 1931 as a deferred payment, that is, with the assumption that the lost income would eventually be repaid. However, one year later, Columbia was still paying deferred salaries, when it was able to pay salaries at all, and in June, 1932, the company bookkeeper, Howard Herner, suggested that deferred salaries be removed from the company books and an unofficial list be kept of the income due each worker. Council passed this recommendation as a motion, but it was informed shortly thereafter by its CPA that this was an illegal practice and that Council should have canceled unpaid salaries in full, Council, therefore, reluctantly agreed on July 1, 1932, to officially cancel all deferred salaries, but in so doing it was informally understood that these would be paid back when the company was financially well.

After the cancellation of deferred salaries from the company's books, Columbia's operating loss was $70,000 as of July 15, 1932. With the use of available funds in the surplus account, this deficit was reduced to about $40,000. Without the cancellation of deferred salaries from the books, the company would have been closer to $110,000 in the red, seriously impairing its financial independence and perhaps even risking receivership.[41] Nevertheless, the formal cancellation of deferred salaries was controversial and, for the first time perhaps at Columbia, a deep and lingering feeling of distrust and suspicion, if not outright hostility, appears to have existed on the part of more than a few workers toward the company and its leaders. The existence of such a divisive mood is reflected by the fact that the motion to officially cancel all deferred salaries was challenged, although unsuccessfully, by some employees just one week after Council had approved it.

One factor underlying this controversy and moral problem was the unresolved, structural tension—even contradiction—implicit in the dual role of worker-owner at Columbia. Workers were being asked to recognize that, as part-owners, they could not receive income for wages when the company was operating at a loss. At the same time, many workers saw themselves as employees who were entitled to a wage as long as they put in hours for the company, regardless of its financial situation. Workers were owners collectively under the trust arrangement, and majority ownership of the company enabled them to collectively administer and manage the firm; but individually the worker did not share directly in the financial aspect of ownership since he or she had no individual access to the wealth represented by the common stock as, for example, when or if he or she left the company. This tenuous, abstract character of worker ownership would play some role in fostering social unrest at Columbia in the months ahead.

Personal and Factional Conflict, 1931-1933

A second factor contributing to the morale problem at Columbia stemmed from major unresolved differences within the sales department regarding personalities, management styles, sales strategies, and opinions of how best to respond to the economic crisis. All of these various differences and tensions appear to have crystallized around William P. Hapgood' s introduction and promotion of the Columbia label, which many in the sales department opposed.

Partly to offset the declining sales of private label soups, which were then having difficulty competing with Campbell's, William P. Hapgood, head of the sales department (as well as general manager and president), proposed a new marketing strategy to promote the sale of its soup. Columbia's story of workplace democracy, which had by this time received a good deal of local and national publicity, was to serve as the focus of a national advertising campaign.[42] Slogans included lines such as "made by cooks who care," and "the business without a boss," which was taken from an article in the Indianapolis Times of February 13, 1930, by its editor, Boyd Gurley. This article was reproduced in pamphlet form and provided to wholesalers and others for distribution to consumers. Advertisements were placed in local Indianapolis papers, the Times and Star, and national media such as the Christian Science Monitor. Even labels on cans told about the Columbia experiment:

> No wonder we make such fine soups, catsup, tomato juice and other products. We the workers own the business. We are proud we have succeeded, and succeeded because we have done better work because we cared. Not one of us has been discharged on account of hard times. For us there is no unemployment. There are 52 pay envelopes a year, old age pensions, expert care in sickness and in health, three weeks vacation with full pay. Why should we not make good products? If you think this plan should spread, and if you find this product is better because it is made by cooks who care, please tell your friends about it.

As another example, a twelve segment weekly serial, "Where Labor Recaps Its Full Reward," was run primarily in labor, co-operative and other newspapers. Articles written about Columbia by both those inside and outside the company, for example, "Where Workers Rule," by Powers Hapgood, which appeared in *The Railway Clerk*, also helped to publicize workplace democracy at Columbia around the nation. Finally, a speakers committee composed mainly of sales staff, including William P. and his son, Powers, was organized to provide speakers for church and college groups, labor unions, and business groups.

At first William P. 's publicity plan called for placing a reference to Columbia and its unique workplace democracy on the labels of private distributors for which Columbia packed. However, due to the reluctance of some private labels (including those in Indianapolis) to go along with this idea, Hapgood advocated selling soup directly under a brand new Columbia Conserve Company label. Such a step which would place it more or less directly in competition with Campbell's Soups. Hapgood was encouraged in this plan by a combination of (1) small but significant pockets of local markets throughout the United States where Campbell's soups had not penetrated and (2) strong grass-roots support among socially concerned and Church-based groups in New England (New Haven), the Midwest (for example, Michigan), the West coast, and elsewhere. Such groups of consumers were very attracted to the story of Columbia' s commitment to workplace democracy and appeared to be willing to help the company promote its soup.[43]

Canning for private labels had pretty much enabled Columbia up to this time to avoid high advertising costs, but the private label business was now clearly distressed and its future outlook uncertain. Hapgood' s new marketing program was designed to produce badly needed sales of Columbia soup, but it did have some risks. It was unclear whether the Columbia label could stimulate sufficient soup sales and, during a period of financial hardship and cutbacks for workers, it would be using scarce resources. Advertising costs had been very modest up to the late 1920s, while publicity and advertising costs for 1931 alone exceeded $40,000. This was roughly the same amount of deferred salaries which Council, as we have seen, officially canceled in July 1932. Some of the sales staff also argued that the Columbia label took business away from its own private label business which, if true, would be self-defeating.

Yet, at the same time, doing nothing was likewise not without risks of its own. The bottom line was that the company could not survive very long without increased soup sales. Could the new sales program succeed and, if so, could it succeed before the company went bankrupt? Or would it merely hasten bankruptcy? And, perhaps most importantly of all, could the controversy and differences of opinion relating to this and related matters be satisfactorily resolved within the framework of workplace democracy at Columbia?

Disagreement and contention within the sales department over the Columbia label resulted, at the end of 1931, in the division of the sales department into two departments, one dealing primarily with the new Columbia label business in New England, the Midwest, the West, and the Chicago area, and the other with the remaining private label business.[44] This arrangement lasted only a few months, however, since it had become apparent that the structure was inefficient and all sales staff, with their consent, were again placed under the direction of Hapgood.

The business picture presented at the Annual Meeting of July 15, 1932, was grim and provided little basis for future optimism. Sales were down about one-third over the previous year, and there was a net operating loss for the year of $70,000. The bad news precipitated a tense atmosphere involving various charges concerning who and what was to blame for the current financial crisis. The Columbia label and Hapgood' s autocratic style of management was cited by some as the leading cause, while others pointed to the factionalism introduced at the plant by the newer "college group" that was trying to impose "socialism" on the others. Still others cited deferred salaries as the reason. In spite of the foregoing expression of discontent by some, the same persons who had served the previous year were re-elected to the Board of Directors shortly later that evening at the stockholder's meeting.[45]

Relations between Hapgood and many in the sales department continued to deteriorate throughout the next several months, as evidenced by the confrontational and personal nature of the final Council meeting of the year. At the December, 29, 1932, meeting, Hapgood was attacked and rebuked by several members of his sales staff. John Brophy, a former trade unionist and relative newcomer, criticized Hapgood for his autocratic style of management. He also criticized Hapgood for certain aspects of the Columbia label project, especially the emphasis on the social program at Columbia to market soup. He suggested that "the foundation on which the publicity was based was based has been gradually destroyed... (and that) many of the elements which made the story valuable do not now exist." While admitting that selling soup under the Columbia label was a correct decision, since it was selling quite well, many of the sales staff felt that too much money was being spent on an "advertising orgy." They also believed that the marketing program should emphasize price and quality over Columbia's workplace democracy, which they claimed was no longer in existence due partly to Hapgood's autocracy. Hapgood defended the decision to sell soup under the Columbia label. He pointed out that the publicity campaign, involving public speaking and advertising in selected papers, was actually very modest in cost, considering the results. Hapgood defended the promotion of Columbia label soup with an emphasis on the company's workplace democracy and resulting social programs. Finally, he suggested that for the staff to try to tell the manager or other "technician" (professional) how to lead a department was taking democracy to an "absurdity and ruin."[46]

An attempt was made at the first Council meeting of the new year, January 4, 1933, to restore at least some of the civility which had recently been lost by adopting a more formal requirement that persons stand when addressing the group. However, the rupture in social relations and community was far deeper than could be restored by such simple measures. This was clearly evident in a speech given by John Brophy directed against William P., in which he stated that 95 per cent of Columbia label sales would have been gained anyway without the assistance of the publicity program. He further accused William P. Hapgood of having an "obsession with show and front," and he suggested that all of the emphasis on publicity was "a form of self-intoxication" for Hapgood. Following Brophy' s speech, another salesman, Frank Eustis, made the motion that no money be spent on publicity for the first six months of the year. Hapgood responded by explaining that they were in the middle of a promotional campaign in Michigan that relied upon public speaking and other publicity to sell soup, and that he had already made commitments to people which he felt obligated to honor. Eustis further stated that some of the speakers who were promoting soup were misrepresenting the program by the omission of important facts. He then digressed to a criticism of stockholders' contracts, dividends' problems, the relation between Columbia and the Hapgood Farm, and the bookkeeping that was being done for the Hapgoods by the company. After much acrimonious debate and discussion, Eustis' s motion was passed by Council.[47]

Two days later, on January 6, 1933, another Council meeting was held in which Hapgood stated that he would resign within two weeks if he was not allowed full authority to run his department. Brophy immediately challenged Hapgood's demand as "undemocratic" and he claimed that Hapgood was asking for a "dictatorship." At this point William P. Hapgood withdrew from the meeting, leaving behind his brother, Norman, to represent his point of view. After some discussion, in which some of the sales staff argued in favor of accepting Hapgood' s resignation, the motion was made by Dan Donovan, an ally of Brophy' s (and brother-in-law to William's son, Powers Hapgood) and member of the sales department, not to accept Hapgood' s resignation.

Although Donovan's motion was passed unanimously, the major issue appeared unresolved, according to Norman Hapgood. Before William P. was invited back to the meeting, Norman gave a long speech in which "he made an effort to explain the meaning of the vote" regarding publicity on the previous Wednesday. He contrasted the goals and purposes of the "old guard or the builders" of the company with the "new group" of "hot-air artists whose platform is to fight, organize and speak." Norman declared that a choice must be made between William P. and "a small group of socialists and trade unionists." He further suggested that Council consider releasing two people in order to remove the major obstacle to harmony and to "make it possible (for the business) to go on." Norman put this in the form of a motion and asked that Council vote for "either Hapgood or Brophy-Tearney." Norman's motion was attacked by several members of the sales group. Out of a sense of solidarity with the two leaders, nine more individuals voluntarily added their names to the list along with Brophy and Tearney. However, before the motion was called for a vote, Norman left the meeting and returned with his brother. Speaking upon his return to the meeting, William P. offered to remain in his position as sales manager if Council would set aside its motion from two days earlier regarding publicity funds, which Council agreed to do. Hapgood also demanded that "trade-union political tactics" being used by some in the plant be stopped, as well as the personal, ad hominem, attacks on him by Brophy. Brophy responded by accusing Hapgood of harboring a "Messianic complex," and of failing in practice to live up the ideals of democracy about which he had been preaching for so many years.[48]

What had begun ostensibly as a disagreement over advertising policy had escalated into a showdown between two factions for control of the company. On the one hand, there were the trade unionists and others within the sales department led by Brophy. On the other, there were the administrative staff and department heads, officers, and other long-time members of the organization, including William H. Hapgood. Obviously, such social and political conflict could not have come at a less opportune time for Columbia, given the on-going economic crisis which gave no sign of relief. Indeed, the financial report presented to Council on January 20, 1933, showed there had been a loss of $62, 000 over the previous six months and a loss of $12, 000 over the most recent two months alone. It was noted that the company probably had fifty more employees on the payroll than it could afford. Clearly, by adding more problems to its already pressing financial agenda, Columbia risked disintegration, bankruptcy, and receivership. No doubt the seriousness of the economic situation weighed heavily on the minds of the Hapgood faction as it considered its options for what, in its view, amounted to saving the business from certain ruin.

The Council meeting of Monday, January 30, 1933, lasting from 6:00 P.M. to 9:45 P.M., was without doubt the most controversial, ferocious and bitter assembly of workers ever held at Columbia. A few days earlier, Frank Eustis had decried the fact that too much power was concentrated in the hands of William P. Hapgood and a few others in the company, a situation that he claimed undermined "real industrial democracy" at Columbia. Accordingly, Eustis had made an unprecedented proposal to invest a substantial sum of money in the company if there was a re-election of all leaders within the plant under the authority of Council (virtually all managerial and administrative staff with the exception of the Board of Directors). No decision had been made on this proposal at the time it was presented, although there had been much heated discussion. It was the major item of business on January 30th when, after further acrimonious debate and a call for a secret ballot, a motion to reject Eustis's proposal was defeated 57 to 43.

Just before the vote on Eustis's motion, William P. Hapgood revealed to Council that there had been efforts to arrive at a compromise prior to the meeting. These efforts involved his son, Powers Hapgood, who had close ties to members of the trade union faction and who had been recently recuperating at home due to an accident.[49] They also involved Brophy, Donovan and Tearney of the sales group. Hapgood's plan involved withdrawal of Eustis's motion and a sixty day truce. Hapgood observed with respect to his compromise plan that an "olive branch has been extended and it had been rejected" by the Brophy faction. William P. reported, further, that the Board of Directors had recently learned that it had the legal authority and obligation to direct the business. Specifically, he noted that the Directors could, individually, be held "criminally liable" for acts or omissions which led to destruction of the business. Accordingly, while the ballots on the Eustis motion were still being counted, William P. informed Council that the Board of Directors had met prior to the current meeting and, by a vote of 4 to 1, had empowered him, as President, to discharge Brophy, Donovan and Tearney immediately. This revelation stunned many of those present, since Council had assumed in theory and practice for years that it, not the Board, was in charge of such matters. After bitter personal remarks and heated exchanges between various persons, a motion was made to disapprove of the Board's action. It passed by a vote of 44 to 20, with 17 abstentions.

Perhaps in part because of the Council's vote of disapproval of the Board's action, and perhaps in part because many still hoped for a more just resolution of issues "without bloodshed," efforts were made over the next few days to arrive at a more desirable way out of the present situation. A pivotal role in this regard appears to have been played by Powers Hapgood, who had strong personal, family and ideological ties to both parties in the conflict.[50] The conflict between his father and wife’s relatives and his friends was literally tearing Powers apart emotionally.

Powers appeared at the Council Meeting of February 3, 1933, to share his perspective on recent events. He identified two main issues which needed to be addressed: (1) should a worker be discharged for merely stating his or her opinion in

Council? and, (2) has the Board acted properly by its assertion of authority over Council? To both of these questions, he replied in the negative, siding essentially with the Brophy-Donovan faction. At the same time, Powers defended the good intentions of William P. with respect to his commitment to democracy. Powers explained that he viewed the differences between his father and others on industrial democracy as rooted in an honest disagreement over where legislative and executive functions begin and end. He refuted the suggestion of duplicity against William P. and Norman Hapgood made by Frank Eustis' s question regarding the ownership of stock held by the brothers' wives by observing that "it happened to be true but other such statements had not always been true and no attempt had been made to give the right impression," noting that "it looked like it was simply an attempt to prove that the Hapgood brothers could not be trusted."

Powers offered two possible proposals for discussion. He suggested first the plan he favored, namely, an internal committee of five including two members from each faction and one impartial person. The committee would discuss the issues and report back to Council in two weeks. He also offered a second plan suggested by William P., namely, a committee composed of outsiders that would likewise study Columbia and offer recommendations on various issues. The outside committee might include Sherwood Eddy, Jerome Davis, Paul Douglas, and James Myers, individuals who were somewhat acquainted with the Columbia experiment and well regarded by both factions.[51] The latter proposal was eventually endorsed by Council after discussion.

It is an open question whether Power's appearance before Council and its adoption of this plan was, as Powers had hoped it would be, a healing rather than a widening of the breach.[52] As Brophy acknowledged, there had been much discussion on several issues and "the breach had been cut deep and wide." Nevertheless, a formal agreement between both factions and the Committee of Four was reached on February 26, 1933, and it was formally approved by Council the next day. The agreement was to run until April 1, 1934, and the Committee would make a number of recommendations on a number of issues of concern by November 1, 1933. During the interim, temporary limits were placed on the authority and responsibilities of both the Board and the Council. Brophy, Donovan and Tearney were reinstated on condition that they agree to working for the common good and avoiding politics while at work. Future discharges by the Board were to be avoided except for cases of gross insubordination.[53]

Unfortunately, the agreement with the Committee of Four appears in retrospect to have been too little, too late, to bring about any meaningful cessation of political strife among the principals at Columbia. As events would show, the breach was, indeed, too deep and wide to be repaired. Within just a few weeks of signing the agreement, on March 13th, John Brophy and Ethlyn Christensen wrote a joint letter to the Committee objecting to the limits placed on Council meetings.[54] Powers Hapgood, perhaps sensing the futility of his attempt to secure a compromise between the factions, offered his letter of resignation to Council on March 17, 1933, stating that he no longer believed he could "be either happy or useful" at Columbia. Frank Eustis, meanwhile, had been engaged in an active campaign against both the Board and William P. Hapgood. This campaign included meetings with Columbia's major creditor and other activities seemingly contrary to the spirit, certainly, if not the letter of the February 26th agreement, which he had signed. In response William P. wrote a letter of April 3, 1933, to Jerome Davis about Frank Eustis's conduct requesting the Committee of Four to allow for the release of employees for reasons other than insubordination. The authority to terminate employees for inefficiency, subject to review by an independent mediator, was granted by the Committee of Four to the Board in a letter to William P. of April 11, 1933.[55] William P. requested Eustis's resignation in a letter of April 12, 1933.[56] Ethlyn Christensen and two others, including the Council chairman, protesting the inclusion of inefficiency as a basis for termination and lamenting the loss of democracy at Columbia under Hapgood's autocracy, tendered their resignations to Council on April 14, 1933.

Finally, in a letter of April 4, 1933, William P. wrote Jerome Davis with another request from the Board to be released entirely from the February 26th agreement with the Committee since "there is very little possibility of the two groups into which we have become divided finding a solution of these troubles by discussion and compromise. [57] William P. once again advocated this position on Monday, May 8th, when he informed Council that it was high time for the worker-owners to decide between either himself or the Brophy and Donovan faction. The ostensible reason for Hapgood's demand was a hearing on the previous Saturday involving a hearing by the impartial arbitrator regarding the case of Frank Eustis who, refusing to resign, had been terminated by the Board. According to Hapgood, the administrative staff who had sat through the meeting had reported to him that they could not and would not go through such a "strain" again. The three men were asked to leave the meeting so that others could freely discuss the situation in their absence, but Brophy and Donovan left only after, upon their insistence, a vote was held on the will of the majority regarding their attendance.[58] After a long discussion in which procedural as well as substantive issues were discussed, three motions were made and voted upon: First, the motion to accept Hapgood' s resignation was defeated unanimously; second, a motion to discharge Brophy was passed by a vote of 48 in favor with 14 opposed and 9 not voting; third, a similar motion to terminate Donovan was passed by a vote of 47 in favor with 13 opposed and 7 not voting.

William P. clearly had the overwhelming support of workers and why not? He and his family had demonstrated by word, deed and a sharing with workers of their business investment in Columbia their deep commitment to workplace democracy. The matter with Brophy and Donovan was not yet over, however. A Special Council Meeting was held on May 15, 1933, to consider a letter from the Committee of Four which disputed Council's authority under the agreement of February 26th to discharge an employee without review. Apparently Brophy and Donovan, who had long experience in rough and tumble workplace politics, had contacted the Committee of Four with their complaint. The letter to Council stated that either Brophy and Donovan were not terminated at all or, if so, they were entitled to an impartial review of their cases.

A motion was made in Council to cancel the agreement and to ask for the withdrawal of the committee. The rationale for this motion was the right to self-determination by workers-owners: the maker of the motion stated that members of the committee were unable to help those at Columbia solve their problems because, on the one hand, they were both too distant and too unfamiliar with the details of their situation and, on the other, they simply did not have the responsibility to run the business which must accompany decision-making. It passed 58 to 1, with 3 abstentions. The Committee of Four, when informed by Council of its action by telegram, must have been surprised. They responded by stating that Columbia workers-owners needed their protection. The Committee also protested that Council's decision was illegal. After the passage of several months and further correspondence between Columbia and the Committee of Four, the Committee made good on its threat to lodge a "strong public protest and full report," an action which brought adverse publicity to Columbia. Public airing of the matter by the publication of the Committee of Four's report in several periodicals, which had previously been positive and supportive of the Columbia experiment in workplace democracy, created a public relations disaster for the company in the months following cessation of conflict.[59] As a result, Columbia lost whatever moral and competitive edge it may have had in the marketplace over its competition with respect to its claim to social justice in the workplace. In this respect it seems clear that the Committee of Four itself became too involved personally and failed to accept the fact that an overwhelming majority of workers had in a democratic fashion *voted* in favor of William P. versus the Donovan-Brophy faction. In retrospect, it appears that the Committee of Four lost sight of the forest due to its focus on a tree or two and not only failed to support workplace democracy when it should have done so but then out of spite did all it could to harm the company and workers who remained.

Declining Years: 1934-1943

The combination of economic depression and internal conflict had taken a considerable toll on the material and mental resources of the company. With respect to the financial condition of the company, Columbia had sales of $626,191 but a loss of $87,754 during the fiscal year ending June, 30, 1933. A very modest profit was made for several years afterwards, reaching a high of $46,648 in the fiscal year ending June 30, 1937. However, losses again occurred over the next several years until a profit of about $56,000 was earned in 1942. This was immediately followed by a loss of a little under $20,000 in 1943.[60] As Hapgood noted in a letter of November 27, 1939, to Mr. Treadwell Cleveland of Allerton, Massachusetts, sales continued to be the major business problem for Columbia during this period, as it had been earlier:

> The outstanding material problem is sales. I think I did fairly effective work up to 1931 but since that time I have not been able to accomplish the sales results which are necessary if we are to return to the rate of earnings we secured prior to 1931. I know our chief problem but not how to solve it. It is to show our customers how to put up a successful battle against both Campbell and Heinz and particularly Campbell. That problem is what I call sales promotion. The national advertisers accomplish it by large scale and skillful advertising. That method is closed to us on account of the multiplicity of labels under which we pack our products.

Workers-owners at Columbia continued throughout this period to be paid a portion of the 1930 base rates of $22 per week for a single person, $33 per week for a married man/head of household, with $2 additional for each child up to a maximum of three children, as follows:

Fiscal year ending June 30,

1932	67.8%
1933	33%
1934	54.8%
1935	66.8%
1936	68.8%
1937	72%
1938	80%
1939	73.4%
1940	60%

On an annual basis in 1937-38, a single person earned $1094, a married man with one child $1638, at Columbia.[61] This salary figure does not include the value of additional benefits such as health care, lunches, and life insurance contributions, which amounted to an extra $3.50 minimum per employee per week. In comparison, the Morgan Packing Company at Austin, Indiana, would have paid their employees about $650 per year, and the Stokely Brothers plant in Indianapolis a little more than Morgan, had such workers been employed the whole year, which typically was not the case in the highly seasonal canning industry.[62]

Understandably, in light of the earlier conflict, workers-owners appeared somewhat reluctant after May, 1933, to become involved in Council meetings and activities. Still, an exasperated William P. Hapgood called a special meeting of owner-employees at the end of 1933 in which he admonished them about their apparent lack of responsibility with respect to running the business. He advocated a return to the frequency and the responsibility of Council meetings and activities of the past, Those present agreed to do so, by a vote of 42 in favor, none opposed, and 7 abstentions, with the explicit understanding that Council action and decision-making would be subject to the Board of Directors.

An overview of Columbia's social program was presented for discussion purposes at a Council meeting of January 21, 1935, in which policies such as guaranteed employment, payment based on needs, health care, pensions, and life insurance were summarized and reviewed. At two Council meetings on March 6 and 8, 1935, several guest representatives from the Menominee Indian Tribe of Wisconsin spoke at length to Council about their own form of communal government and land ownership, As a result of these and other discussions held on these matters held over many months, Council made various changes in Columbia's social program. Tuition reimbursement for education was broadened to include instructional classes or courses of even indirect benefit to the company. Dependents were included once again in the free health care plan. Pensions were changed from being based on individual need to 50 per cent of the individual's salary at retirement. A voluntary group life insurance plan, for which the company paid 50 per cent of the cost, became obligatory with a rule that required every person to purchase at least $1000 of life insurance at a cost of $8.50 to the employee. And during early 1935, the prevailing need-based method of salary and wage compensation at Columbia was thoroughly reviewed and discussed. The Special Income Adjustment Committee was established to recommend salary adjustments based on the responsibility of the position. However, after much discussion on the committee' s recommendations, no changes in the salary system were made.

Perhaps the most interesting and notable of Council's activities during this period was union interest and activity. William P. had reported at a Council meeting of June 1, 1937, that he had received a request for food donations from a C.I.O. leader who was leading a strike against the Morgan Canning Company of Austin, Indiana. Hapgood offered his view that Columbia should unionize, leading to a candid discussion of union issues and an invitation to a field representative of the newly formed C.I.0. Canners' Union to speak at a future Council meeting. Some voiced support for a union if it did not mean jeopardizing the social program, while others recalled the trouble with trade unionists a few years earlier. Partly at John Brophy's suggestion, Donald Henderson, President of the Canning Union, sent an invitation to through the Indiana C.I.O. organizer for Columbia to send representatives to a convention in Denver for the unionization of the canning industry. William P. Hapgood attended the convention on July 9, 1937, along with one other Columbia salaried employee and two wage workers.[63] The resulting report to Council was generally favorable, though it was not until April, 1938, shortly after Donald Henderson personally visited Columbia, that the company elected to establish a C.I.O. affiliate local of the United Cannery, Agriculture, Packing and Allied Workers of America. By April 18, 1938, 59 out of the 68 salaried employees had joined the union and on January 13, 1939, Council voted to make union membership made mandatory, making Columbia a closed shop. However, this requirement was abolished about a year later and, by late summer, 1940, the union came to an end due to a lack of interest on the part of workers.

Given the operating losses sustained by Columbia during much of this period, the company had been unable to pay any dividends on common or preferred stock since 1931. As a result, capital impairment to Columbia in June, 1940, was in the amount of $201,000 due to accumulated unpaid dividends and debts owed to the major creditor, the Continental Can Company. Since there was a total of $211,000 of common stock on the books, the value of the common stock at this time was essentially nil.

Accordingly, the Board arrived at a two-step plan in early 1940 to eliminate this financial impairment through a legal reorganization of the company. First, in order to facilitate reorganization proceedings in court, cancellation of the 1926 agreement between the Hapgoods and employees regarding the purchase of common stock was agreed to at a Council Meeting of April 19, 1940. It was explained that since employees already owned 63 per cent of common stock, they were the voting majority and they stood to gain nothing by the purchase of remaining stock. Second, a proposal was announced at the Annual Meeting of July 19, 1940 to reduce the amount of common stock issued by 95 per cent (the amount it was impaired) and to distribute the remaining 5 per cent on a pro rata basis. Although this stock reduction plan was accepted by those stockholders present by a vote of 47 to 0, it was later blocked by one stockholder and former employee, Frank Eustis. As a result of this one person's refusal, Columbia was unable to reorganize and eliminate its capital impairment until May 1944.

By mid-1942, Council meetings had become so rare that the question was asked at a Council meeting of July 24th whether it was even necessary to elect officers for the new year. At the July, 1942, Annual Meeting of Stockholders considerable dissatisfaction with current salary levels, in view of the rising cost of living, was expressed by several workers-owners. Hapgood responded by pointing out that it was not advisable to raise salaries in light of the large deficit, even though the company had posted its first profit ($56,000) in five years, since the future outlook was still uncertain. No action was taken by the Board or Council to raise salaries. The salary issue was apparently important to many workers-owners, insofar as the Board's apparent unwillingness to grant a raise appears to have served as the catalyst for the formation of an A.F.L. local at Columbia in the late summer of 1942. The new union's major demand, presented on August 14, 1942, was a raise for all workers. At the time, Columbia was paying $17 per week for a single woman, $23.50 for a single man, and $24.50 for a head of household with one child. The union was demanding a minimum of $22 per week for women and $30 per week for men. The Board agreed to raise wages for hourly workers from between 2.5 to 7.5 cents an hour, depending on classification. It was willing to allow any salaried employee to switch to an hourly status and receive hourly wages. But it steadfastly refused to grant any monetary increase to salaried employees so long as they remained on salary (and enjoyed such benefits as permanent employment). Hapgood expressed his consternation at the workers-owners' demands: " I have been disappointed that very few of our salary workers have understood their responsibility in a partnership. That they have not taken this responsibility is clear, and that they will not take it is just as clear, because of the proposal they make..."[64]

At a Board meeting of August 24, 1942, attended by a Conciliator from the U.S. Department of Labor, the decision was made that the trust fund holding the collective stock of the workers-owners should be dissolved and the common stock distributed to individual employees. Accordingly, at the last recorded meeting of Council held on August 24, 1942, the position of the Board was reported and a motion to dissolve the trust was put on the floor for a vote, It was explained that the Board had met all of the union's demands with the exception of increasing the salaries of salaried employees. Hugh Gormley, the Indianapolis representative of the A.F.L., attended the meeting and endorsed the Board's proposal. During the discussion some workers-owners expressed concern about whether workers would still exercise control over the company subsequent to the dissolution of the trust. As Hapgood explained, they could in fact still maintain such control if they cooperated in voting their individual stock for Board members of their choice. Nevertheless, the motion was defeated by a two-to-one vote of 14 for and 28 against.

Although talks were scheduled between Columbia and union representatives on September 3rd, a strike occurred before that time on September 1, 1942, when all but 24 of 241 workers walked off the job. Both sides agreed to turn the case over to the National War Labor Board for arbitration, and the job action officially ended on September 6, 1942. The case was finally resolved on May 5, 1943, in a decision favorable to the Board.[65] As a result, it was agreed that all production employees, with the exception of those with supervisory responsibilities, had to join the union within ten days of employment with the company. Workers were to be paid on the wage scale the Board had proposed prior to the strike, a maximum of $.625 for men and $.525 for women after 40 days of employment, and they would receive time-and-a-half for work over 40 hours.

Several months after the strike had occurred, on December 30, 1942, a majority of the remaining salaried employees filed suit for receivership, alleging gross mismanagement and several other charges against the Board and the Officers of Columbia. A trial was held several weeks later in January, 1943, in Marion County Superior Court, the outcome of which was that the judge denied the petition of the plaintiffs for a receiver. On February 15, 1943, the Trustees, who held the common stock that workers-owners purchased collectively under the agreement of 1926, filed a counter-suit to dissolve the trust. A hearing was held in May, 1943, and Judge Hezzie B. Pike handed down his decision, favorable to the company and the Trustees, on July 3, 1943. The judge re-affirmed his earlier finding that the company had not been mismanaged. Specifically, he determined that the business was not liable to present or former employees for any claim of back pay or deferred salary. The judge further found that the "said trust was terminated as of December 31, 1942." As a result, he decreed that "there is no right now available to any common stockholder to convert common stock... to preferred stock." He also noted that the pension plan which was part of the 1926 agreement had been "discontinued and abandoned by the consent of those interested" and that the company had no liability for it. Judge Pike also defined a procedure by which the 1,315 shares of common stock held collectively in trust would be distributed to individual employees by December 31, 1943. It was based on the number of months the employee worked between January 21, 1925 and December 31, 1942, as a portion of the total sum of such months worked by all salaried employees during this time period.

With the conclusion of the suit and the dissolution of the trust, the longest chapter of workplace democracy attempted by a business anywhere came to an abrupt, somewhat inglorious end. Columbia henceforth operated as any other capitalist enterprise did. As reported in Business Week (July 31, 1943), the legal resolution of the case represented the end of a dream of workplace democracy. Columbia' s financial situation improved a good deal after the end of World War Two. The company largely became a profitable concern following the war years and it continued in the business of making soup, if not the production of justice, until it was sold in 1953 to John Sexton and Company for a sum of about $500,000. All in all, a total of $178,161 was paid to preferred stockholders, and $489,012 to common stockholders, upon conclusion of that sale.

Conclusion

In contrast to some writers (Vance, 1956) of the Columbia experience who have labeled it an "unsuccessful experiment in industrial democracy," I am more inclined to regard the Columbia experience along the same lines as does McQuaid (1976, pp. 510-511), namely, as "one of the most-successful attempts yet made to create a viable version of that cooperative industrial commonwealth which had inspired labor leaders, churchmen, and reformers of the late nineteenth and early twentieth century.[66] In this respect, I believe the Columbia experience provides the student of industrial organization in general, and of workplace democracy in particular, with a most remarkable and unique opportunity to understand the challenges and constraints that must be faced by any person or group that would seek to actualize justice in the workplace.

What lessons are to be drawn from this interesting experiment in workplace democracy? I would like to respond to this question with a focus on two areas of interest: (1) Council structure and operation, and (2) the 1926 contract involving the new profit-sharing plan to acquire collective ownership by workers-owners of the company.

One major limitation of workplace democracy at Columbia had to do with the organization of Council, which reflected the strengths and weaknesses of the "town hall" approach to democracy with its direct representation by, and participation of, each individual member of the community on every single issue or matter that comes before it. Given Columbia's preference for such direct and total democracy, there was a tendency to create a system that was inclusive rather than exclusive of communal members, that is, one that enabled or maximized the participation by members of the community at Council meetings. Council operated, for the most part, on the basis of custom with few formal rules and with no written constitution or by-laws.

There were few requirements for membership to Council, and there were virtually no limits -- until 1933, when Council was reigned in by the Board of Directors -- on the authority and responsibilities of Council itself. There is no question that the combination of informality and absolute power of Council at times encouraged discussion and the expression of viewpoints among workers, as well as resulted in much innovation and experimentation, but it also tended to result in much micro-management and the failure to distinguish between operational and policy issues -- or what Powers Hapgood in 1933 referred to as the difference between executive and legislative power.

If Council had had a more clearly defined limit to its authority -- for example, Council had the authority to determine broad policies but not to directly supervise day-to-day operations, or to appoint department heads, but not the authority to attempt to manage such departments -- then the sales staff could not have tried in 1932-1933 to politicize their differences with their department head, William P., over publicity and advertising policy in Council, as they in fact did. In effect, the sales group was able to prevail upon Council to attempt to micro-manage the sales department as the sales staff saw fit on the issue of publicity. Such decisions ought to have been left to department heads or the professionals or “technicians” with the knowledge and expertise to effectively get the job done. Hapgood had undoubtedly been right on the issue of promoting the Columbia label, over the resistance of his staff, and he may well have been right on the need for even more marketing and “publicity” for it. As department head, he ought to have been relied upon to make such a call, at least until proven wrong, and not second-guessed by a Council which lacked the technical expertise to do so. Only if Council lost confidence with a department's leadership as a whole, should it act, and then its action should have been limited to appointing a new leader. As it was, Council had no such limitations to its authority.

And the responsibility for this latter structural and operational error in fact and perception resides with the failure of the owners, including William P., to have fully recognized the legal and practical problems associated with such total empowerment of Council. In the end, Columbia operated within the legal framework of incorporation that dictated the Board of Directors was the final authority for all business decisions of the company. It is difficult to know with any certainty, but what if Council had been structured at the outset with a more realistic and limited sense of its scope and authority as enshrined in a set of by-laws, for example? William P.'s missionary-like zeal for direct, total democracy would not be tempered until many years later when it much too late to reconsider.

Nor was enough consideration given in establishing direct democracy at Columbia to the classic problem of demagoguery excess faced by all democracies, but especially direct democracies, beginning with ancient Athens. Emotional appeals and rhetorical excesses which cloud or circumvent reason are an inevitable part of the freedom of speech of democracy, but some consideration or safeguard needs to be given to prevent action or decision-making from being made in the "heat of passion." While such a concern may not have been present in the early days at Columbia when the goal was simply encouraging self-expression in Council meetings, it potentially became more of a problem as more self-confident and eloquent speakers joined Columbia. Without a way to limit debate and rhetorical excess, Council became an open battleground for war between the two factions in 1932-33. It did not help that the assembly immediately voted on proposals without some time for reflection on decisions.

Secondly, it seems clear that there was a fundamental flaw in the approach to worker ownership of Columbia envisioned in the 1926 contract. The basic problem is that the procedure was both an abstraction and a fiction: the purchase of common stock by workers, held in the collective trust, was essentially a gift from the Hapgood family who were the original capital owners (and there was no doubt resentment some felt about the owners' s generosity) since it was only through their willingness to share profits in this way that made the purchase of a majority of common stock possible. Since the worker never "owned" or possessed the profit to begin with, it was no decision or sacrifice on the part of the worker to use such funds to buy company stock. Insofar as the transaction was more or less an abstract fiction to account for the transfer of ownership from owners to workers, it did not represent a meaningful commitment on the part of the individual worker to assume the duty and responsibilities of ownership -- a criticism frequently leveled at workers by William P. Hapgood. As result, concern over wages paid more honestly and directly reflected the Columbia worker's interest than owner's concerns.

It is worth noting that Columbia workers were still earning well above the national average wage of $12.50 in the canning industry in the early 1930s, even with reduced and occasional skipped paychecks (as they were a decade later in 1942 when they went out on strike).[67] In addition, no workers at Columbia were ever threatened with layoff due to the economic situation, while unemployment in the canning industry was at an all-time high of over 11 %. And Columbia workers continued to enjoy various health and other benefits that most workers elsewhere could only dream of. Objectively, in terms of absolute deprivation, workers at Columbia were doing quite well even in the midst of a depression and later recessions; yet, in terms of relative deprivation and self-perception, workers at Columbia appeared to underestimate their good fortune and situation. Obviously, whatever ownership of Columbia meant to workers, many of them took it to mean the right to enjoy direct economic benefit, and this message was not heard by those who had the power to distribute such resources.

Notes

1 The research upon which this paper is based has been on-going for many years, indeed, decades. I wish to acknowledge the generous financial support of the Indiana Historical Society and to Butler University for supporting my research in its early years. I especially wish to express my gratitude to the helpfulness of the library staff during my archival research period some years ago, especially Saundra Taylor, Curator of Manuscripts, at the Lilly Library, Indiana University, Bloomington, which houses the Columbia Conserve Company Collection. I am indebted to Kris Swenson for her research assistance on parts of this project. I am very grateful for information and interviews with Barta Hapgood Monro, daughter of Powers Hapgood and grand-daughter of William P. Hapgood; and to interviews with former Columbia employees, Frieda Shutters, Edna Pavy Clifton, and Mary Barron Lipferd. All references throughout this paper, unless noted otherwise, are to the Columbia Conserve Company Collection housed at the Lilly Library. Finally, I would thank my friend and colleague, Bruce Bigelow, for his critical readings and suggestions on this version of the paper.

2 The Columbia Conserve Company was first organized in 1903 when it purchased the Mullen-Blackledge Canning Company, located on South Meridian Street at Bluff Avenue in Indianapolis (Stockholder's Minutes, May 1, 1903; Vance, 1956, p. 16), The company remained at this site until 1910, when due to business difficulties it reorganized and moved to Lebanon, Indiana, for a brief

period of two years before relocating in 1912 to Churchman Avenue in Indianapolis (Stockholder's Minutes, November 4, 1910; Board Minutes, November 4, 1910; Vance, 1956, pp. 24-25).
3 See Hapgood (1934, p. 26): "I am frequently astonished at how impossible it is for the average businessman to understand the psychology of an employee."
4 Hapgood (1934, p. 12) wrote: "When a group of workers are associated together on a basis of equality in the problem of producing materials for the general welfare, they must deal, sooner or later, with social as well as material problems." See also Ibid., p. 30 and Hapgood' s discussion of the basic needs shared by all employees by virtue of their social, human nature which eventually served as the basis for determining income at Columbia.
5 Quoted in Hapgood (1934, p. 10)
6 Hapgood, 1934, pp. 15-16; 15-16; also Douglas 1922/1923, pp. 6-7.
7 Hapgood (1920, p. 3) observed: "the Council...is only subject to the ruling of the Board of Directors."
8 Hapgood, 1934, pp. 14-18; Annual Meeting Minutes, December 22, 1917; Board Minutes, May 22, 1918.
9 Hapgood, 1934, p. 15.
10 Council Minutes, May 4, 1921, p. 60.
11 Council minutes, April 19, 1922.
12 Council Minutes, November 2, 1923.
13 Council Minutes, November 9, 1920, p. 37.
14 Council Minutes, June 28, 1921, p. 66.
15 Annual Meeting of Stockholders, January 6, 1920, pp. 3-4.
16 As Hapgood noted at the annual meeting of 1923 concerning the election of Board members: "their function is purely legal, simply to take action as a Board whenever it may be necessary to confirm decisions of the Council." As we will see, this statement would come back to haunt William P. Hapgood a decade later.
17 Industrial Relations Programs in Small Plants, New York: National Industrial Conference Board, 1929, p. 1, p. 16, & p. 20.
18 Thompson, Kenneth M., Profit-Sharing, New York: Harper & Brothers, 1949, pp. 11-12,
19 The Growth of Works Councils in the United States: A Statistical Summary, Special Report No. 32, National Industrial Conference Board (New York: 1925).
20 Mr. Sherwood Eddy, speaking at the Council Meeting of February 15, 1924, on the conditions of industry in China, India and Russia, as well as the Roundtree workplace innovations in England, declared that Columbia was the only concern in the world being managed as it was and that, as a result, he wished to invest in Columbia stock.
21 Douglas (1922/23, p. 18)) wrote of the maternity leave program at Columbia that it was "almost unique in this country."
22 As Hapgood (1934, pp.342-43) later noted, this contract had overlooked the obligation to preferred stock.
23 Initially, Council decided that pensions should be commensurate with need (October 21, 1927). Later it paid a fixed amount regardless of need and outside income.
24 Council Minutes (Human Relations Council), April 1929, note the hiring of an Indiana University dentist to survey dental needs. Council Minutes of December 9, 1929, show that medical treatment from July 1 throught November 1, 1929,

cost Columbia $975.63 for employees, $824.75 for dependents, and $1618.40 for dental treatment. Council passed the Health Committee's recommendation that the company completely cover all medical and dental expenses for employees and their dependents at a projected cost of $10,000 to $15,000 per year.

25 Council Minutes, April 12, 1929. Note that health protection to dependents was under the discretion of of the Needs Committee. Council made this protection to dependents a basic benefit for all employees in December, 1929.

26 Council Minutes (Human Relations Council), May 24, 1929.

27 For example, Norman Hapgood often discussed labor and industrial issues in a global perspective at annual meetings and Council (Annual Meeting, January 6, 1920), Powers Hapgood gave a talk on the industrial situation of some of the eastern factories, Council Minutes, June 16, 1920 and Sherwood Eddy discussed industrial conditions in China, India, Russia and England on February 15, 1924; a talk by John Brophy on the labor situation and the mining industry on March 22, 1926.

28 Council Minutes, October 24, 1925; January 1, 1926.

29 Council Minutes, February 18, 1927; May 20, 1927. A few Columbia workers were recruited in this manner but, on the whole, it appears that Columbia was not very successful in attracting large numbers of college graduates, both male and female, to it. This was in spite of an excellent starting salary and other inducements offered to them. Perhaps the radical egalitarianism of the company, which held that there was no social status difference between office and workers, was too much of an affront on the new graduate's sensibility and also because a commitment to Columbia was antagonistic to the idea of a career with job mobility.

30 Council Minutes, June 8 and 9, 1926; August 20, 1926; May 20 and 27, 1927; June 3, 1927.

31 Council Minutes, July 24, 1925. This motion was reconsidered on July 31, 1925, in which there was a long discussion over whether the instructor should be American or foreign born.

32 Council Minutes January 12, 1926; February 12, 1926 (he doubted he could work or fit in at Columbia).

33 Council Minutes November 5, 1926; Hapgood, 1934, p. 39.

34 Council Minutes, December 3, 1926.

35 Council Minutes, February 22, March 2, and April 29, 1927.

36 Council Minutes, April 22, 1927. J. L. Evans was subsequently charged with the responsibility of acquainting himself with time study and studying plant efficiency as well as teaching it, Council Minutes, June 3, 1927. He resigned from Columbia in September, 1928, due to the lack of interest in educational classes (Council Minutes, September 10, 1928).

37 On April 22, 1927, Council formed a three person committee to make recommendations in particular cases of women who might qualify as heads of households.

38 There were limits, however, to the extension of equality and the challenge to traditional ideas of class and gender relations at Columbia. For example, with respect to the issue of racial and ethnic diversity, Council decided after some discussion not to employ African Americans at the plant becasue the latter, given their ehtnic-cultural difference, would probably not mingle well with other employees (Council Minutes, December 23, 1929).

39 The child differential, $2 per per child up to 3 children, was extended to wage workers in August, 1929.
4o Council Minutes, April 26 and May 18, 1932.
41 Council Minutes, July 15, 1932.
42 Council Minutes, October 10, 1930.
43 Council Minutes, November 30, 1931.
44 Council Minutes, November 30, 1931.
45 Council Minutes, July 15, 1932; also, wph, pp. 64-65
46 Council Minutes, December 29, 1932.
47 Council Minutes, January 4, 1933.
48 Council Minutes, January 6, 1933.
49 Powers Hapgood was running at this time for political office in Indiana as the Socialist candidate for governor; he was recuperating at home as a result of a gun accident.
50 He was the son of William P. and the brother-in-law of Dan Donovan. Powers's trade union credentials were impeccable and well respected by Brophy and Donovan.
51 Jerome Davis, Yale University Divinity School, had invited William P. Hapgood to write an article on the Columbia experiment for his book; Paul H. Douglas had studied and written both an article and a short monograph on Columbia in the early to mid-1920s; Sherwood Eddy and James Myers were both social activists.
52 Council Minutes, February 10, 1933. Powers acknowledges his concern on this point.
53 Agreement of February 26, 1933. A copy of this agreement as well as much of the correspondence relating to this matter between Columbia and the Committee of Four is reprinted in a pamphlet written by Norman Hapgood (1934a).
54 John Brophy Papers, quoted by Vance, 1956, p. 224.
55 Hapgood, 1934a, pp. 53-55 & 57.
56 Hapgood, 1934a, pp. 90-91.
57 Hapgood, 1934a, 3fn. , p. 6.
58 Council Minutes, May 8, 1933. The vote was 42 in favor, 10 opposed, 9 abstentions.
59 Telegram from the Committee of Four to the Columbia Conserve Company, May 16, 1933; Hapgood, 1934a, 10fn., p. 12. The role and response of The Committee of Four is an interesting one but space limitations prevent discussion here.
60 Annual Meeting, July 19, 1940, and Auditor's Reports. Modest profits were shown for the remaining years through 1952.
61 Letter to Stockholders, William P. Hapgood, July 26, 1937.
62 Letter to Stockholders, William P. Hapgood, July 26, 1937.
63 Hapgood was on the welcoming committee, July 23, 1937.
64 Board Minutes, August 15, 1942.
65 Auditor's Report, 1943; Vance, 1956, p. 317.
66 Part of the issue has to do with the question of the generalizability of the Columbia experience to other businesses or, even more boldly, the prospect of the social transformation of society through the development of workplace democracy through the economic sector. See Douglas 1926, p. 57; Lauck 1926, pp. 233-242; Lasserre, 1931; for different views on this issue,
67 U.S. Department of Labor, Handbook of Labor (Washington, 1947, p. 54).