

# THE COLUMBIA CONSERVE COMPANY PAPERS

*By* ELFRIEDA LANG

Through the kindness of William Powers Hapgood of Indianapolis, the Indiana University Library has received the business archives of the Columbia Conserve Company, a cannery in Indianapolis. During the course of fifty years, this firm produced under buyers' labels twenty-seven varieties of condensed soups, twenty-one varieties of ready-to-serve soups, and sixteen varieties of fancy products, such as salad sprouts, tomato catsup, and boned chicken. Among the well-known brands were American Lady, Clover Farm, Edelweiss, Fairway, Hoosier Poet, Ko-We-Ba, None Such, Our Pride, Red and White, Red Label, Richelieu, and White Swan.

The origin of the company dates back to 1903, when Charles Hutchins Hapgood, a successful plow manufacturer, bought the controlling interest in a small canning plant on South Meridian Street in Indianapolis from the Mullen-Blackledge Company. His three sons, Norman, Hutchins, and William Powers, were each given a single share of stock to permit them to vote as stockholders. The latter, who had had nine years' experience with Franklin MacVeagh's Wholesale Grocery in Chicago, first as assistant shipping clerk and later as head of the manufacturing department, assumed the managerial responsibilities of the company.

In 1910, after losing the original investment as a result of added costs and insufficient sales, the company was re-organized and moved to Lebanon, Indiana, remaining there



until 1912, when a permanent location was found at 1735 Churchman Avenue in Indianapolis. On February 1, 1917, Charles Hutchins Hapgood died, and his stock was inherited by his widow, Mrs. Fanny Powers Hapgood. Increased sales had made the year 1916 the first successful one in the history of the company, and the time seemed favorable for entering upon an experiment in workers' ownership and management, in which the Hapgood brothers were interested. The proposal was announced by William P. Hapgood at the annual banquet of employees of the company on December 22, 1917. It provided for a profit-sharing plan and for a copartnership arrangement by which employees could purchase stock in Columbia. A workers' council through which employees could assume more responsibility in the running of the company was to be set up as of January 1, 1918.

The early years were ones of learning for the workers, inexperienced as they were in plant management, but, by 1925, William P. Hapgood felt that they were ready for another step toward real ownership. In that year, he led the stockholders to offer to employees a contract which would eventually give them a controlling interest in the company. This provided that, after certain deductions, the net profits would belong to the salaried workers. It was accepted on December 18, 1925. Three weeks later, a trust fund was set up among the employees with the provision that the legal title to the common stock acquired by the workers be vested in three trustees elected by the Council. Operating under this agreement, the employees had acquired 51 per cent of the common stock by the close of the fiscal year ending on June 30, 1930.

The real test of the experiment was still ahead. It had worked well enough in prosperous years, but with the



coming of the depression a struggle to survive began. Cutbacks were essential not only in salaries but also in some of the social benefits which had been adopted by the Council. It was also necessary for the company to borrow heavily to stay in business. The end of the depression found Columbia in serious difficulties. Its remaining years as a co-operative were troubled ones, marked by financial problems, reduced sales, and internal dissent.

Through the years, the question of unionizing had often been discussed in the Council. William P. Hapgood had favored it in the belief that a union might help the employees to express themselves more freely. As long as the workers enjoyed greater advantages than the unions had to offer, however, they showed little interest, although some of them felt that they should join in order to give the unions the benefit of their experience. Finally, at the instigation of William P. Hapgood, a local of the United Cannery, Agriculture, Packing, and Allied Workers of America, affiliated with the C.I.O., was established at the plant in April, 1938, but, in August, 1940, it came to an end for lack of interest.

Early in August, 1942, however, dissatisfaction among the employees had grown to such an extent that a local of the American Federation of Labor was formed. Demands were presented to the Board of Directors on August 14, 1942, and, when the Directors offered to adopt all except one providing for an increase in the wages of the worker-owners, a strike was called. It lasted from September 1 to 6, inclusive, and ended with an agreement to present the case to the National War Labor Board. Before a decision was rendered, however, a majority of the salaried employees, on December 30, 1942, filed suit for receivership against the company, claiming among other things that deferred



salaries had not been paid. Following a verdict in favor of Columbia, a countersuit was filed by the Trustees against all current and former employees to dissolve the trust of January, 1926. On July 3, 1943, Marion County Superior Judge, Hezzie B. Pike, handed down his verdict dissolving the trust and ordering that the shares of common stock owned collectively by the salaried employees should be distributed proportionately among all salaried workers who had been employed for a period of at least six months between January 1, 1925, and December 31, 1942. Two hundred and two persons shared in this stock distribution. For the next ten years, the company was again in private hands. Sixty-three per cent of the common stock had been divided among the workers, giving them still the controlling voice if they chose to act in concert. However, they did not vote as a unit, and control of the company was henceforth in the hands of William P. Hapgood through the stock held by his family. In 1953, the fixed assets of Columbia and its patent rights, discoveries, inventions, and practices were sold to John Sexton and Company of Chicago, who took possession on May 1. At the same time, the formulas and the private-label packing business were purchased by the Venice Maid Company of Vineland, New Jersey.

Through the years, Columbia had sold its products both under its own label and under wholesalers' labels. In the early years, the Columbia label had far outsold the private label business. This changed as time went on, and by 1930 the company was packing for 169 private labels distributed in 240 major cities, in 35 states, and in the District of Columbia. It had as its customers such firms as Altman's in New York; S. S. Pierce Company in Boston; L. Bamberger and Company in Newark, New Jersey; S. M. Flickinger



Company, with numerous branches in New York; John Sexton and Company, with many distributors throughout the United States; H. F. Behrhorst and Sons in Pittsburgh; L. H. Parke Company in Philadelphia; Waples Platter Grocery Company in Texas; General Grocery Company in St. Louis; National Co-operatives; Kothe, Wells, and Bauer, and M. O'Connor and Company, both in Indianapolis; and two Chicago firms, Sprague Warner and Company, and Durand-McNeil-Horner.

The fact that Columbia was one of the earliest companies in the United States to put into action a plan of workers' ownership and management makes the Council minutes covering the period of the experiment of unusual interest. Unfortunately the papers of the company contain no minutes prior to February 19, 1920, but there is in the Indiana University Library a complete file from that date to December 31, 1941, except for three meetings, August 11, November 14, and December 15, 1933. These minutes are very detailed. Often the discussion deviated from matters directly concerned with the production and sale of soup. One of the most frequent subjects was salaries. A major tenet was payment according to need instead of according to efficiency. In 1926, a marriage differential was established with added salary for each child up to three and under sixteen years of age. Women had all along been paid less than men, but in 1927 a plan was adopted by which a woman who was the head of a household as the chief support of a family received the same minimum salary as a married man. She was also eligible for child support. At the same time, it was decided that if both a husband and wife were employed, whether at Columbia or not, no child allowance was to be given. Additional pay was provided in the case of employees with parents to support.



Each case of need was handled individually. The Council had control over discharges, and there were a number of cases where it cut salaries of individuals for inefficient service.

One of the most revolutionary aspects of the company during the years of worker management was the adoption of many social benefits, commonplace today but practically unheard of at that time. Among the earliest of these was the establishment of guaranteed annual employment, in 1918. In this connection, it must be remembered that this was a highly seasonal industry. Up to this time it had depended mainly on tomato products, with a large temporary force during the tomato season and a skeleton staff the rest of the year. Various plans were devised to provide annual employment, the principal one being the broadening of the range of products to provide foods which could be canned in months other than the tomato season.

Among the fringe benefits provided for employees, one of the most important was the health program. In 1926, a doctor was engaged to visit the plant daily to check on illness and accidents. In the following year, a ruling was passed that the medical treatment of employees, whether at the plant, in a hospital, or at home, would be paid for by the company. This was extended, in 1929, to provide free medical, dental, and eye care to the dependents of salaried employees. Vacations with pay were established, and they became part of the health program by a ruling of the Council that they were to be granted on the basis of physical need, not as a reward for service rendered. In 1929, it was decided that older employees should be given shorter hours, and that they should not be required to work when they felt that they needed rest.



Pensions were granted, the amount to be governed by need, and it was voted that a deceased employee's pay should continue four weeks after death. In 1925, a credit union was established, and, in 1929, group life insurance adopted. In the latter year, a budget adviser was hired to assist the wives of employees in planning their household budgets.

Columbia entered upon its experiment in workers' management and ownership with a staff of employees who, in 1917, averaged less than a 4th grade education, and with but one high school graduate. In the light of this fact, it is remarkable that the experiment succeeded as well as it did. Education is one of the tenets of a truly co-operative enterprise, and the company proceeded to meet this need in various ways. It became the policy to promote workers as vacancies occurred, and to send such employees to school, at company expense, for necessary training in their new jobs. In addition, employees, usually from the younger group, were sent to summer schools with all expenses paid and spending money added. Daytime and evening classes were begun at the plant in 1927, but they were finally dropped for lack of interest. Workers were encouraged to attend conferences and conventions, whether sponsored by management or labor, at company expense. Unfortunately, however, the experiment was continually hampered by the lack of interest in its underlying principles. Throughout its existence, too many of the workers were concerned primarily only with immediate gain.

In addition to the Council minutes, the papers of Columbia in the Indiana University Library include the normal business records, company correspondence, financial, production, and sales records, publications of the company, advertising, and newspaper clippings and pamphlets relating



to Columbia. The papers are of value because the unique experiment in co-operative ownership and workers' management lasted for twenty-six years; they are the records of a contemporary and highly competitive industry; and they demonstrate how a great depression affected one kind of business.

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