

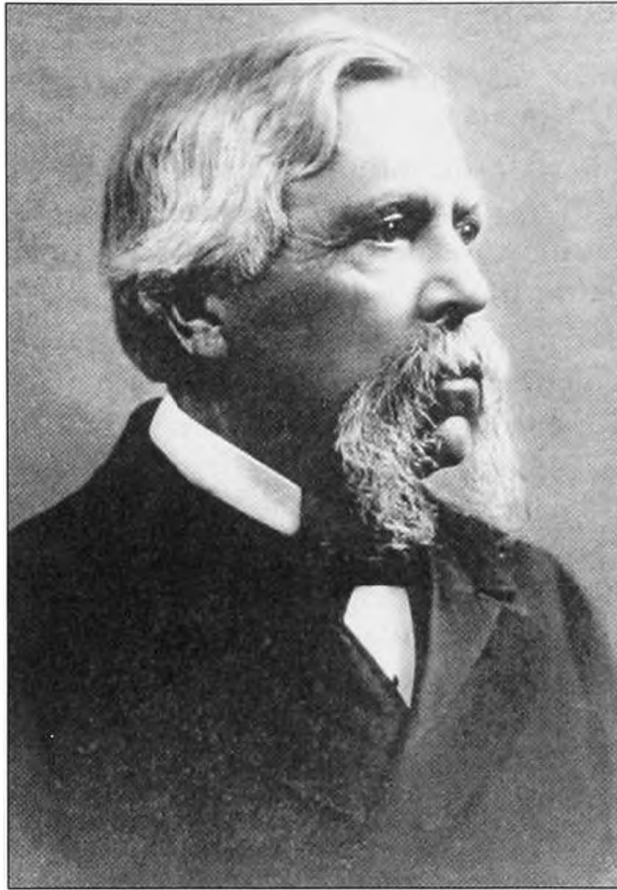
CHARLES A. SCONTRAS

NON-ADVERSARIAL LABOR RELATIONS
IN NINETEENTH CENTURY MAINE:
THE S. D. WARREN COMPANY

Like industrial corporations all across America, the S. D. Warren Company searched for a policy that would maintain labor peace at the company's mills. Founder Samuel Dennis Warren's solutions helped set the themes for Progressive-era experiments in "welfare capitalism." While there was no mistaking the hierarchical nature of decision-making at the company, the Warren family saw itself in a larger role of promoting a new morality for American industrial society. Charles A. Scontras, professor of political science at the University of Maine and research associate at the university's Bureau of Labor Education, has written numerous books on organized labor and socialist activity in Maine and is a contributor to MAINE: THE PINE TREE STATE FROM PREHISTORY TO THE PRESENT (1995).

"He [Samuel D. Warren] regarded each one of his employees as a personal friend and not so much bone and brawn to be minted into wealth for his personal aggrandizement." (C. R. Godell)¹

On March 24, 1993, the Clinton administration announced it had formed a Commission on the Future of Worker-Management Relations. The commission issued a Fact Finding Report in May, 1994, which documented the whirlwind



Samuel Dennis Warren, founder of the S. D. Warren Company of Westbrook, Maine. Warren's philosophy of labor relations gained recognition when labor unrest swept across the nation in the post-Civil War period. *S. D. Warren Company, A HISTORY OF S. D. WARREN COMPANY, 1854-1954 (1955).*

of changes transforming traditional modes of employee-employer relationships.² President Clinton, in his proclamation declaring May 1995 Labor History Month, gave added recognition to the new thrust in labor-management relations when he asserted that "Today's global marketplace demands that we establish and strengthen partnerships between employers and unions."³

The full meaning of these emerging developments in labor-management innovations remains uncertain. As Charles C. Hecksher wrote in "The New Unionism: Employee Involvement in the Changing Corporation," this new embryonic form of interaction between labor and management

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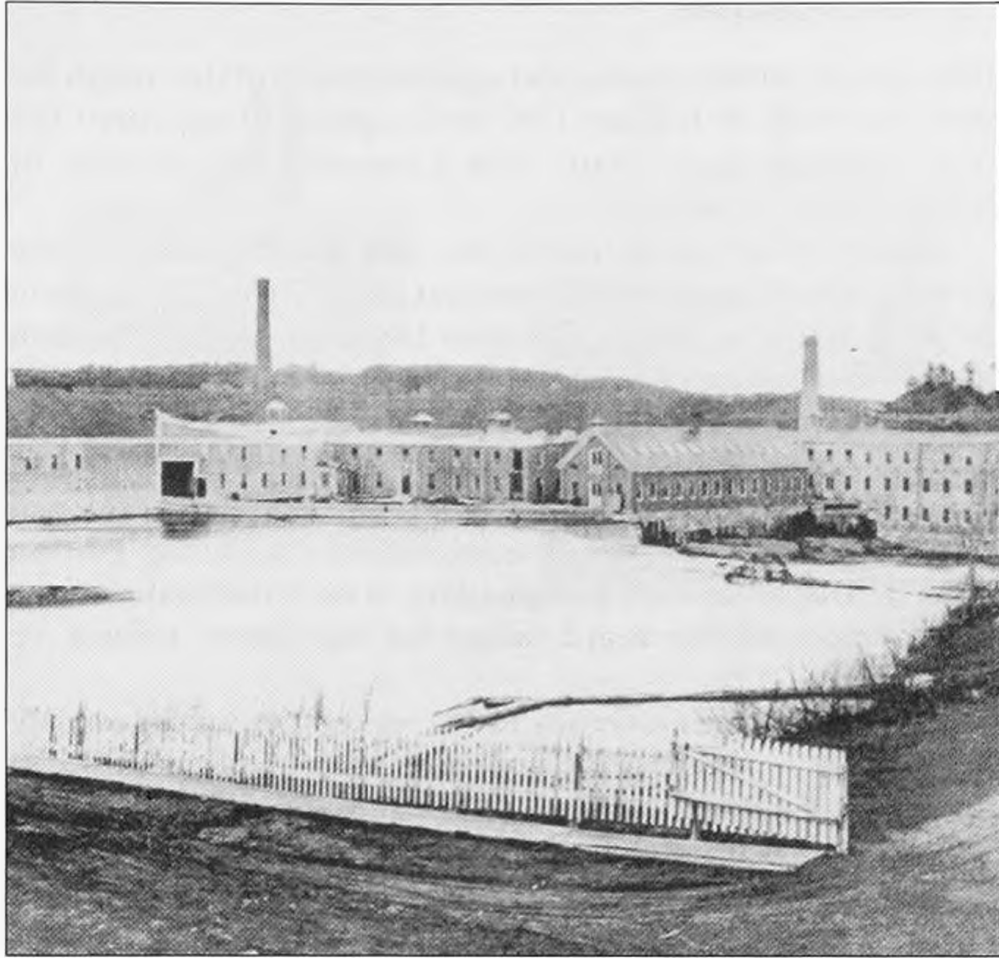
can mean many things, or it may mean nothing at all. It can be seen as mere rhetoric, or as an attempt to undermine unions, or as a temporary swing of the historical pendulum with no lasting significance, or as the precursor of a profound change in the labor relations system. All these aspects, in fact, can be found within the general movement.⁴

For those who harbor a conflict model of labor-management relations, the concept of playing on the same “team” to achieve mutually beneficial objectives of increased efficiency and productivity is difficult, if not impossible, to accept. To such critics, worker-management partnerships simply disguise the reality of incompatible interests between labor and management. There is more than an ounce of justification for such worker resistance and skepticism, given the history of labor relations in the nation and the role played by earlier forms of employee representation systems – called “company unions.”

The company union, which flourished in the 1920s and early 1930s, was a form of labor-management cooperation that left workers without an independent organization and power base to enforce their demands. While such forms of employee representation are now illegal, some labor advocates see the shadowy “ghost” of the company unions in the newer types of employee representation and participation, and fear that the reforms under way are fueled, in part, by a motivation to circumvent or destroy labor unions.

Workplace policies and experiments designed to promote harmonious labor relations are not novel. An example drawn from Maine is the S.D. Warren Company, paper manufacturer of Saccarappa (Westbrook). In the late nineteenth century, when the economic landscape of Maine was scarred by conflict between labor and capital, the S.D. Warren Company launched an experiment in managerial policies designed to produce loyalty, cooperation, and workplace harmony.

The growing unrest in the ranks of labor in Maine (including approximately 100 strikes of differing magnitude from 1862



S. D. Warren was called before the U. S. Senate's Education and Labor Committee to explain his benevolent labor practices. *HISTORY OF S. D. WARREN COMPANY*.

to 1882) drew the attention of Governor Frederick Robie, who, in 1883, presented his views to the legislature on the climate of economic conflict. While recognizing the demand for labor reform, he relied upon enlightened public opinion and high standards of public conscience for its achievement.⁵ Organized labor, however, would not settle for a declaration of noble ends, as long as they remained abstractions. The labor movement of the 1880s in Maine was, in large measure, responsible for translating those noble ends into actuality, through economic and political action. Even as the governor condemned labor “agitators,” organizers of the Knights of Labor were launching

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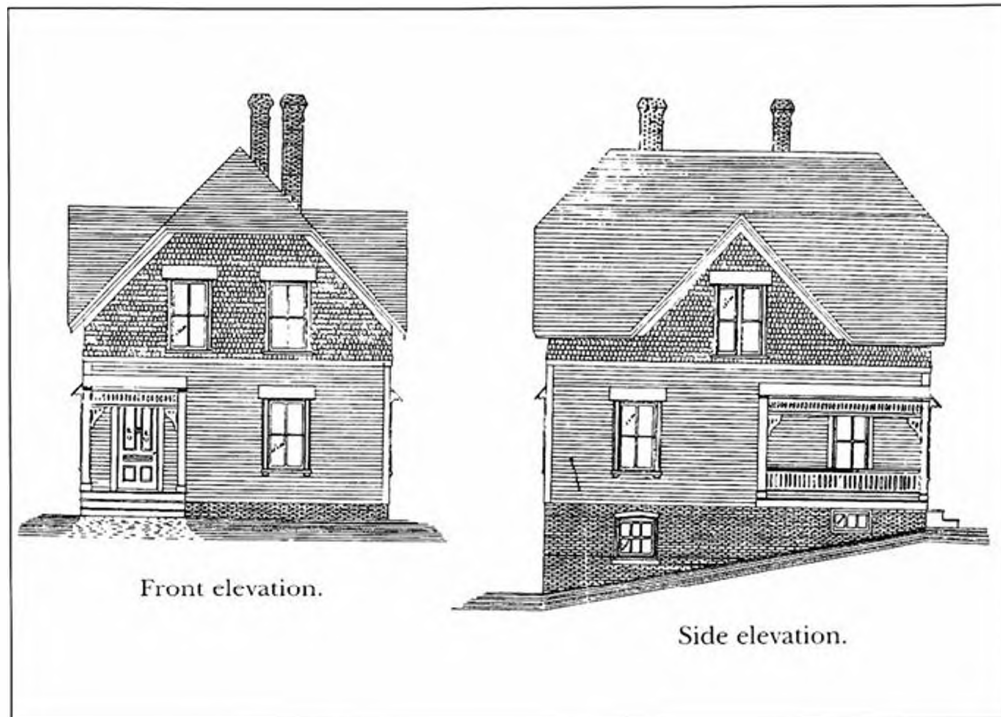
their crusade to win dignity and a greater share of the wealth for Maine workers. By January 1887 the Knights had organized 127 locals throughout the state, with a reported membership of 27,900 within its ranks.⁶

Maine's industrial unrest was but a microcosm of the growing wave of labor turbulence that swept across the nation in the post-Civil War period. Between 1881 and 1900 a minimum of 22,793 strikes and 1,005 lockouts disrupted the economic life of the nation.⁷ Maine claimed at least 172 strikes and eight lockouts for the same time period.⁸ The industrial age had arrived and the conflict associated with it provoked the use of militia, federal troops, and the injunction ("a Gatling gun on paper"). Disparate voices responding to the cataclysmic events of the time could be heard calling for repression, reform, or revolution.

While Governor Robie was conveying his anxiety about labor unrest to the state legislature in 1883, Samuel D. Warren was called to testify before the United States Senate's Education and Labor Committee, which was conducting the first general investigation of industrial conditions and conflict in the nation.⁹

Warren's reputation as a benevolent employer and proprietor of one of the state's largest workplaces preceded his appearance before the investigating body. Warren's success in labor relations seemingly contradicted those who believed that industrial conflict was inevitable in a capitalistic economic order. A local observer of economic developments in Westbrook succinctly captured the benevolent nature of Warren and his firm when he declared that his was not a "soulless corporation" – a pejorative phrase used to describe economic entities that treated their workers as purely impersonal costs of production.¹⁰

Describing his facilities at Cumberland Mills, reported to be "the largest in the world," Warren stated that he employed 750 "hands," who worked in twelve-hour shifts. He testified that only about 75 to 100 workers labored under the night shift, while the greater part of his workforce labored during the day, operating the machines used for grinding pulp and manufacturing paper.



The S. D. Warren Company owned 75 of the 150 dwellings in the surrounding village. They were "nice homes," according to Warren, furnished at no return to the company. *Courtesy of the author.*

Preparing the stock and finishing the paper were functions also performed during the day. The boilers, which were filled with stock during daytime hours, ran through the night.¹¹

Warren further testified that wages paid to his male employees, exclusive of management, ranged from \$1.33 to \$3.50 a day. Skilled workers who operated grinding machines for pulp and machines that manufactured paper earned \$2.75 a day. "The principal men," Warren's overseers, received \$3.50 a day.¹² The paper manufacturer was pleased to inform the committee interrogators that "quite a number" of those earning the minimum wage were "liberally educated" – many, no doubt, taking advantage of the library and reading room which Warren provided for

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his employees. Other employees, such as the “Harvard graduates and graduates from other Colleges” who could be found upon the premises, sought employment with the firm for “the single purpose of learning the business.”¹³ Warren employed about 120 women, who were primarily engaged in sorting rags and “the getting and counting of the paper.” They earned between eighty cents and one dollar a day. The women did not labor in the evening.¹⁴ Warren also informed the Committee that he did not employ any children – an employment policy which insulated him from the rising chorus of protest against child labor.¹⁵

The Bangor *Industrial Journal*, which monitored the industrial development of Maine, reported in its columns that S.D. Warren’s schedule of wages was “very liberal” compared with those paid by many corporations in the state.¹⁶ Wages, according to Warren, averaged twenty-five percent of the production cost. When queried by the committee, “do you think that is the share that they ought to have according to the value they contribute in their labor?” Warren succinctly responded, “I most certainly do.” Warren’s assessment of labor’s value might have proved alarming to those who believed that labor was the source of all wealth and hence the difference between what it created and what it received translated into exploitation or theft. Warren, however, was quick to point out that “it is to be borne in mind that we furnish them nice homes – with practically no return to me...at a very low rent, not over 4 percent on the first costs, without taxes, which only covers about the taxes and the care of them.”¹⁷

Warren owned 75 of the 150 dwellings in the village, which he rented to his employees. Most of the remaining homes employees had purchased from Warren with his financial assistance. Warren informed the Committee that he kept his houses “in the best sanitary condition possible by the introduction of pure water and good sanitary and ventilating arrangements, so that the employes are well cared for.”¹⁸

As if to provide the stamp of legitimacy to Warren’s comments, a report published by the U.S. Commissioner of

Labor in 1895 declared that houses built by the paper manufacturer were “among the most tasteful, attractive and conveniently arranged dwellings to be found anywhere.”¹⁹ At a time when workplaces and company boarding houses and tenements were not designed with worker comfort, convenience, or safety in mind it appears that the government assessment of Warren housing was more than complimentary. Warren’s housing policies, however, required employees to conform to certain regulations. Failure to comply meant eviction from the dwellings and dismissal from work. No record of evictions is available for the nineteenth century, however.²⁰

Similar to a “company town,” Warren’s influence extended beyond the construction of “rows of pretty cottages” for his employees. Warren’s reach into the community was revealed when he told the Senate Committee:

I have aided in the building of the school-houses....I have done what I could in aiding and putting up buildings for halls for the Knights of Pythias, and Odd Fellows [and Masons], where they hold their meetings and entertainments, and have done what I could to keep employes away from saloons, or rather to keep saloons away from my part of the town....[and] churches have been built since I went there [with his assistance].²¹

When the pressures of competition or economic circumstances required wage reductions, Warren managed to keep the confidence and loyalty of his employees. “I think we have never made a reduction,” he told the government investigators, that the employees “did not recognize as needed or called for, and proper.” They “cheerfully” acquiesced in the cost cutting measures, permitting Warren to say, “I never had any difficulty at all.” Warren informed the Committee that “We never know anything of strikes, nor do we have any complaints in that direction.”²²

The Committee’s curiosity about Warren’s workplace tranquillity led to the following exchange:

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Q: How does it happen that you have got on in this way with your help without strikes or disagreements? You must have had some principle on which you conducted business in dealing with your help.

A: Well, I have always felt my interest consisted in taking good care of the help, and giving them good homes and the best sanitary conditions, and to show an interest in them.

Q: Do you think it makes a difference to operatives or working people whether their employer manifests that disposition or not?

A: I do, most emphatically. I think it pays to take the best care of the help.

Q: Why?

A: They are more loyal and do more labor, and more careful to see that the labor they do is good labor. They will be more interested in the success of the employer.²³

A partial explanation for the lack of strikes rests in the fact that he provided his employees with a cushion against insecurity and hardship. When asked whether or not "their wants have been attended to all the time, so as not to make them paupers or destroy their health or put them in hospitals," Warren snapped, "Of course." Indeed he was pleased to communicate a remark he heard: "During the period I have occupied these premises, thirty years, there has not been a person sent from my village upon the town for support – not an individual from my part of the town, from those employed at the mill."²⁴

The paper maker further declared that when his workers grew old, they were not discarded. He found "less severe work for them to do" so that they would not be compelled to seek assistance from the town. Many had been with him since he commenced operation in 1854. He summarized his paternalistic managerial style: "I do all I can to help them on in life, and I believe they are very well contented."²⁵ Warren failed to disclose other acts of generosity to the government investigators, such as

No. 84 Cumberland Mills Mutual Relief Association,
CUMBERLAND MILLS, ME.

Date *Aug 1, 1883*

RECEIVED OF *[Signature]*

Membership Fee.	
Dues.	<i>1.00</i>
Assessment.	

Apr 1st, 1883, next payment is due.

[Signature]

Learn the following by Heart, as it is of vital importance and should be known to all members who want to keep in good standing and expect to draw benefits when disabled:

DUES should be paid in ADVANCE on or before the 1st day of each quarter. Members failing to do this are considered in ARREARS, and as such are non-beneficial. Should they fail to pay before the following 30th of the month, their names will be dropped from the rolls.

Special attention is called to Articles IV, VI, VII, and X of the By-Laws.

Please remember that you are NOT ENTITLED TO BENEFITS unless some one specially reports your case to the President, and that benefits will not be paid for any sickness for more than six days previous to said report.

Among other benefits, the company contributed to the Cumberland Mills Mutual Relief Association, organized by paper workers in 1882 to provide financial support to members and their families in time of sickness, accident, or death. *Courtesy of the author.*

his contributions to the Cumberland Mills Mutual Relief Association, organized by his employees in 1882 to provide its members with a measure of financial assistance in times of sickness, accident, or death of a family member.²⁶

Warren believed his success was attributed in large measure to a workforce made up primarily of Americans. Pursuing the question of ethnicity, the Committee asked the paper manufacturer, "do you think human nature is any different in Americans from what it is in foreigners?" No philosophic treatise about human nature was forthcoming. Warren simply replied, "I never have got along as well with foreigners as with Americans."²⁷ Conceding that, as the governmental examiners put it, "in the long run the same principles that keep peace with your employes would keep peace generally," Warren indicated that, as for himself, he got along better with American workers.²⁸

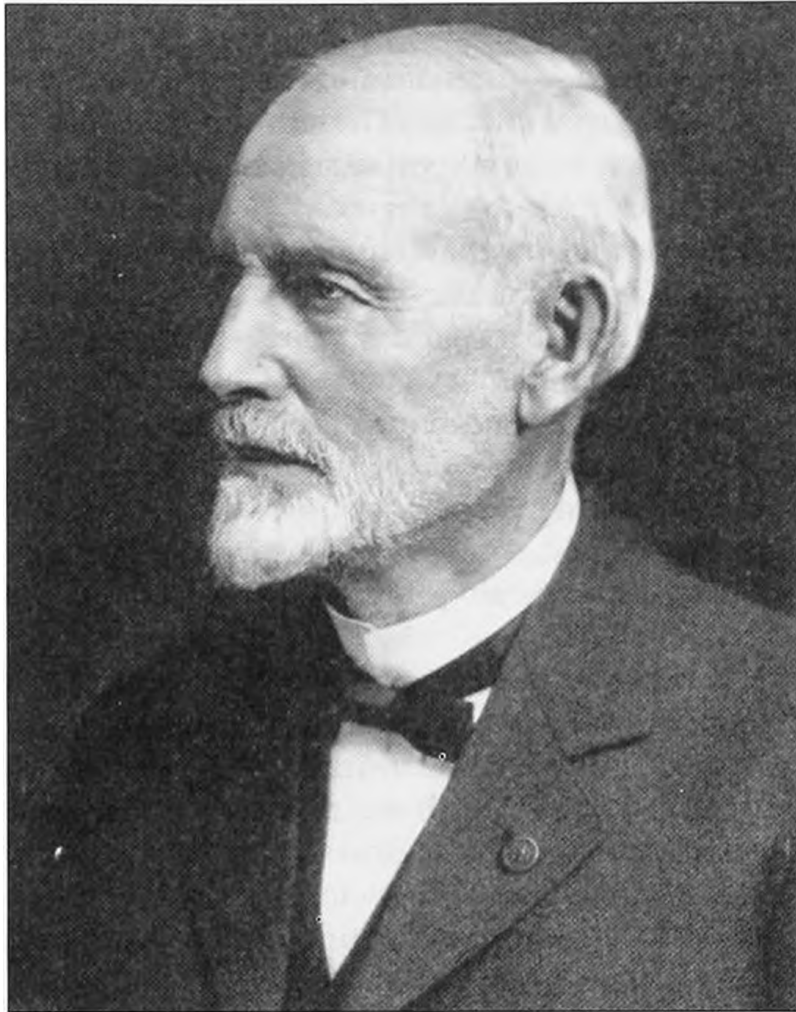
Perhaps Warren's response reflected a measure of "nativism." More likely, his response was grounded in his

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perception that an increasingly ethnic mix at the workplace was not conducive to communication, cooperation, control, or forging the type of social bond he sought to cultivate among his workers at Cumberland Mills. Order, stability, and predictability in the workplace formed a mix of values employers desired in labor. Warren perceived these values to be best achieved when the workforce was culturally homogeneous. Indeed the integration of various ethnic groups into factory life, bringing with them rural and cultural patterns of behavior incompatible with factory discipline, was one of the major challenges faced by American employers.

The fact-finding Committee also noted that Warren maintained a personal interest in his workers at a time when employee relations in most large-scale firms were impersonal. "Do you not think really that the...[large] corporation [is] very apt to lose the connecting link of human sympathy?" Warren tersely replied, "most decidedly."²⁹

One individual at the committee hearings apparently felt that Warren's testimony was more fantasy than reality. Would Warren's "grand ideas" persist, should his enterprise fall into the hands of a corporation after his passing? Warren responded: "I think that would depend a great deal upon who the stockholders were. If kept in a family, the same thing might be kept up, but if it dropped into general ownership of people who didn't want anything but their dividends, it would naturally run like corporations do."³⁰ Warren confessed he knew of no way to repeal the drift towards bigness, and while he was not certain that the large corporate structure could "have a soul," he asserted that those corporations were revealing more of the "humanitarian sentiment." In the late 1880s about forty companies turned to profit-sharing plans to stabilize work relations or avoid unions, revealing a measure of the growth of that "humanitarian sentiment" among corporations. A greater number of companies sponsored contests, sports teams, housing, outings, and introduction into citizenship for the same purposes. An investigation conducted by the U.S. Department of Labor in 1900 counted fifteen different welfare measures adopted by a number of



John E. Warren, agent of the Cumberland Mills, was known to mingle with his workers "in a most democratic manner." *A HISTORY OF S. D. WARREN COMPANY.*

companies "for the improvement of the condition of working-men."³¹

Warren, identifying with the new currents of managerial reform, informed the government officials that he would continue to rely upon his "benevolent impulses" and "kindly feelings," which proved most profitable to him, and he was not reluctant to recommend it to others. Workers, he believed, appreciated "sympathy and interest in their welfare." They would manifest a "kindly impulse" in return.³²

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Bangor's *Industrial Journal*, after reporting the highlights of Warren's testimony, wrote "if all employers were like Mr. Warren, there would soon be an end to strikes and warfare between labor and capital."³³ A local observer, who styled himself as VIDI, described Westbrook in the columns of the Portland *Eastern Argus* as the "Model Manufacturing Village," where "the Lion and the Lamb of Labor and Capital are Lying in Peace Together...affording the best practical example of the true solution to the labor question; and would that it be more generally followed."³⁴

Warren's paternalism was further reflected by VIDI's description of John E. Warren, Esq., the agent of the Cumberland Mills. Familiarly known as "Johnny Warren," he was described as a "Christian gentleman" who "like others of nature's true noblemen," mingled with his workers "in a most Democratic manner, guiding, directing, suggesting, encouraging and sympathizing, according to each individual case." Employees who "proved efficient and faithful" were rarely discharged; promotions on merit were common, and the sick and disabled were assisted both by the company and fellow workers. "Practical benevolence" permeated the "entire village" and produced a "community of social interests" rather than one cleaved into warring factions.³⁵

Westbrook, the local commentator wrote, was a "company town," but one distinguished from others by the absence of pronounced negative features associated with such towns:

A very notable fact is that although the company owns and could control almost everything in the place, yet there is an entire absence of the spirit of monopoly, and towards it there seems to be no disposition. The employes can trade where they choose, go to church where they choose, vote as they choose, and do as they choose, as much as everywhere else. But good moral influences pervade the place, and beer houses and rum shops are unknown. Every laborer is expected to

be law abiding, and if recreant he is warned or summarily discharged. Thus the greatest freedom is united with the greatest security.³⁶

These observations carry greater meaning when it is recognized that in Maine the company store was an integral part of the operation of many firms, that workers could not vote in secrecy (Maine did not establish the secret ballot until 1891), and that employer taxation to support a church was not unknown.

S. D. Warren appears to have been free of charges of "industrial feudalism" levied against other large paper manufacturers. At the turn of the century, for example, Hugh J. Chisholm, president of the International Paper Company, was the target of assertions that he founded a company town in Rumford Falls, in which people "became mere creatures of profit and power." Critics feared that Oxford County might become a "corporation borough or a reservation for the great captains of industry." Chisholm, they declared, was an industrial magnate who "virtually controlled every enterprise in the place, and was able to fix the schedule of wages as well as the cost of either rented or owned homes. In short, all the elements of feudalism are present here today."³⁷

In 1887 Warren adopted the eight-hour day, a somewhat utopian measure for the time period.³⁸ It is difficult to unravel the motivation for such a change in the work schedule. It may have been a reaction to the first national mass demonstration for the eight-hour day in 1886, to the mercurial rise of the Knights of Labor in Maine, to the recognition that health and workplace efficiency were correlated to the shorter work day, or to other factors.

In 1890, two years after Warren's death, the S.D. Warren Company launched a profit-sharing plan. The dividend to labor under the plan was based on the net profit earned by the company. The cost of additions to the plant facilities were borne "wholly by the owners of the mill," and bad debts incurred in the conduct of the business did not diminish profits, "the sales being guaranteed by S.D. Warren and Company."³⁹ It was widely held that the plan would serve as an elixir that would ease the

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adversarial relationship between labor and capital, provide workers with an incentive to produce, and generate loyalty to the firm. Profit sharing would increase the workers respect for company property, eliminate waste in time, energy, motion, and materials, and increase workers' identification with the interests of management. Because they were now industrial partners, workers would cease to resist introduction of new machinery and renounce strikes – surely they would not strike against their own interests. It was envisioned that profit-sharing would produce a new organic relationship between owners and workers – one in which strife was replaced by cooperation and harmony.

Warren's policies relative to his employees continued following his death and found expression in such disparate gestures as providing turkeys to employees on Thanksgiving Day, the formation of a Literary Society among female employees, providing hospital services for employees, permitting volunteers of the City Fire Department to leave work to fight fires without loss in compensation, encouraging workers to serve on the City Council or School Committee, pensioning off its oldest employees, and assisting workers in purchasing their own homes.⁴⁰

By the turn of the century, the paternalistic heritage of the S.D. Warren Company had become renowned. Most of the firm's 1,000 or more workers were home owners, and the company's tenements were reported to be well maintained and were still offered to employees "at a very reasonable rate."⁴¹ In the summer employees and others made use of the company's playground, which consisted of a tennis court, basketball facility, running track, swings, gymnasium opportunities, and other facilities. A swimming pool was also provided, equipped with shower baths, lockers, and other conveniences. Camp Sippican at Sebago Lake was also available to employees. A baseball league, formed by workers, practiced and competed on a company athletic field. The company had formulated plans "for some kind of workmen's house with parlors, smoking rooms, etc.," the Cumberland Mills Mutual Relief Association continued to provide a measure of security for those who cared to

become members, and a loan fund was created which enabled workers to become shareholders.⁴²

Only a few married women were employed by the firm. Encouraging “home life,” S.D. Warren preferred to hire single women. Among the first to break the eleven-hour workday pattern for women in 1894, the company reduced their hours to fifty-three per week.⁴³ In 1913 Cornelia Warren, daughter of Samuel D. Warren, focused her attention on the women employees, providing them with a new restroom. The room was equipped with lounging chairs, couches, a grand piano, refrigerator, and electric burners. This concern for the comfort of women employees stood in sharp contrast to the conditions under which other Maine women labored. In the textile mills, for example, women were forced to disrobe behind the looms and spinning frames in the absence of dressing rooms. Mill employers even failed to provide a place to sit, so an employee could experience momentary relief from standing for long periods of time. Not until 1911 did lawmakers consider the matter of sufficient importance to legislate requirements in that direction.⁴⁴

S.D. Warren’s employment policies constituted “welfare capitalism,” a form of capitalism designed to secure and control the loyalty of workers by providing them with a range of protections and benefits. Although American welfare capitalism did not flower until the 1920s, S.D. Warren and his company, along with a few others, pioneered the labor-relations strategy long before it became a movement.

Some thought that Warren’s welfare policies were a means of circumventing unions – a form of “riot insurance” – or a subtle form of manipulation which veiled class oppression and great disparities in power between workers and those who owned the means of production. In 1913 Elizabeth Lewis Otey, writing for the U.S. Bureau of Labor Statistics, summarized labor’s suspicions:

There is a tendency in labor circles to condemn employers’ welfare work. It is claimed that much of it is tinctured with paternalism and

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fosters a spirit of dependence on the good will of the employer incompatible with the aims of labor, and as a result the workers never reach their full development. The demand is for rights not charity; that workers be paid enough and then left to order their lives as they see fit. It is rather taken for granted that welfare work is done at the expense of wages; that if an employe were without this particular fad the sum expended on it would be added to wages....A further objection to welfare work is that it is begun and maintained to prevent strikes and labor organizations.⁴⁵

Employer welfare policies clearly served another purpose. They reinforced the ideology of laissez-faire in the employer-employee relationships – the doctrines that regarded private property, freedom of contract, and the laws of the marketplace as pillars of the economic order. Industrialists condemned government intervention and regulation as restraints upon individual freedom and violations of inexorable natural laws that governed the allocation of the various factors of production. The self-regulating economic system did not rule out charitable acts of individual employers, however. If companies provided their workers with a measure of security and well-being, it would not be necessary to extend the reach of the state into the workplace. Employer welfare work thus served to contain unions and the more radical alternatives to the free market system which appeared with increasing frequency, and hold the welfare state at bay.

S.D. Warren revealed his pragmatic orientation to welfare work when he confessed to the Senate investigation committee that it served his self-interest to implement such policies. While he did not openly acknowledge that he subscribed to Protestant ideas of stewardship, the general tone of his testimony and the policies he advocated suggest that such ideas were part of the mix that formed his overall philosophy of capital and labor. S.D. Warren was regarded as a deeply religious person. As a youth he was described as “a young man

of marked piety." In 1836 he made a profession of faith. In 1842 he helped found the Mount Vernon Church in Boston. In 1846 he renewed his "Agreement with Myself," in which he pledged to live in Christ's glory and to work for the realization of His Kingdom. At one time, he expressed hopes of becoming a Congregationalist minister and a missionary. He was one of a group of eighteen who supported the Anglo-American revision of the Bible (completed in 1881). His son, Fiske, stated that his father was a believer in the church as an educator and he believed that education could penetrate to the roots of social problems which made possible the transformation of individuals and societies.⁴⁶

The tribute paid to Warren upon his death by the citizens and employees at Cumberland Mills alluded to his sense of religious duty to administer his wealth for the benefit of others and the community: "Mr. Warren has been a great benefactor to Cumberland Mills. He has appeared to act as if he were a steward of God." Not surprisingly, the link between the Warren family and religious activity in Westbrook continued after the death of S.D. Warren.⁴⁷ Like welfare capitalism, the idea of stewardship was a means of addressing the larger question of the distribution of wealth and the social problems related to it. For Warren and others, welfare capitalism and the idea of stewardship were inseparable.

Warren, however, clearly recognized that gaining a competitive edge had as much to do with the morale of his workers as it had to do with the application of technology in the production process. His personal philosophy of labor differed sharply from many of his contemporaries, who believed that workers were simply impersonal costs of production, to be bought and sold as any other commodity, and whose obedience and work could be secured only if threatened with the loss of their livelihood. Three years after S.D. Warren's death, Samuel Gompers, president of the American Federation of Labor, addressed workers, their families and friends at Sebago Lake celebrating Maine's first official Labor Day on September 7, 1891. Ironically, Gompers, like Warren, expressed impatience

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with impersonal, quantitative, and abstract discussions of political economics that reduced labor to a simple commodity to be bought and sold in the marketplace. When studying men, Gompers declared, “the souls and minds and hearts are the important factors.”⁴⁸

There is no escaping the fact that Warren’s ability to engage in a variety of welfare measures was as much a function of the size and prosperity of his operations as it was an expression of noble impulses. Company earnings in the late 80s were between \$300,000 and \$400,000 a year. At the time of his death, Warren’s estate was valued at \$1.9 million.⁴⁹ The S.D. Warren paper mills were “among the most extensive of their kind on the globe.” Together with the Rumford Falls Paper Company, they dominated the paper-making industry in the state, which at that time was comprised of nineteen companies.⁵⁰ Large-scale enterprises made possible a new pattern of labor relationships denied to smaller firms, which found themselves struggling for survival, and which lacked the resources to engage in welfare work. Because profit-sharing and other welfare work were ultimately tied to market conditions, however, their success often proved to be precarious.

Profit sharing schemes were not without other drawbacks. The company, for example, pitted worker against worker: “Under the plan now proposed, it will be for the interest of each man to work as he would on his own account; and a just regard for his own interests will make it right for him to point out to the management any failure in duty or inefficiency on the part of others.”⁵¹ As Warren’s personal testimony indicated, it was not a purely “Platonic” benevolence that formed the basis for his labor policies, but rather self-interest. The *Industrial Journal* bluntly summarized his managerial philosophy for its readers: “Mr. Warren took the course not so much for sentiment as because he believed it to be a paying policy for corporations to treat their people liberally.”⁵²

A local clergyman, Edgar M. Cousins, remarked that “The peculiarity of his method was that he thought his own interest so closely bound up with the mental, moral, and spiritual develop-

CIRCA 1898

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HOSPITAL SERVICE.

We have, as is well known, maintained for some years a free bed at the Maine General Hospital. For the past two years two beds have been maintained between our institution and Yarmouthville at an expense of \$500 per year.

The call for these beds have been increasingly urgent, and the hospital has rendered us much more service during this period than the \$500 would pay for. They now decline this service longer, either for us or for others, and state that they must have \$1.50 per day for all service rendered at their institution, which price they state is somewhat less than the cost of the service, the balance being made up from their invested funds.

In order that our employes may not lose the benefit of this hospital service, which is often of great value to them, we have arranged with the hospital to take any of our employes or members of their immediate families, charging the regular rate of \$1.50 per day. This amount we will pay and collect in whole or in part, according to the ability of the party receiving the benefit, in order that none of our employes or any member of their families should lose the benefit of hospital service when needed.

This is the regular rate, and persons can individually arrange for service there at the same rate, only in that case they will have to prepay for the service or make a deposit. We will pay for this service for them, and await their convenience in the matter of repayment, and will aid them to the extent that may seem necessary in each particular case. Any party needing hospital service will apply to the office, and the matter will be arranged for them as promptly as possible.

JNO. E. WARREN, Agent.

S. D. Warren's hospitalization policy, like other labor benefits, was generous. Yet the company's benevolence reflected the imperatives of efficiency, productivity, and discipline necessary in a modern factory system. Company benefits, as the explanation of changes in the hospital plan suggests, were often precarious. *Courtesy of the author.*

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ment of the community of which so many persons were in his employ.”⁵³ Warren’s temperance views were also connected to economic interests. It was not unusual to find manufacturers in the ranks of temperance reformers. They were familiar with the litany of personal and social evils associated with “Demon Rum.” Warren, like others, recognized that apart from a religious or moral basis for opposing drinking, the economic imperatives of efficiency, productivity and profit required that drinking be prohibited or controlled. It is not surprising that employers cultivated a cluster of character traits compatible with the requirements of factory discipline.

While the pattern of treating workers with civility, providing them with a range of services, and serving as benefactor to the community were integral elements of Warren’s managerial style and philosophy, they tended to obscure the power of the company to control the behavior of its workforce. Speaking of his other mills in Yarmouth and Gardiner, for example, he informed federal officials that “I do not control the other places as I do this one.” Workers in Yarmouth and Gardiner had to find their own housing. More specifically Warren informed his questioners that in Gardiner “there are not more than one or two houses connected with the mill. I do not have the same control of it.”⁵⁴ Indeed, workers could be dismissed from company houses if they failed to comply with rules pertaining to occupancy. All decisions relative to wages, hours, and other conditions of labor were exclusively determined by management. When workers desired a wage increase, for example, they would send a delegation to present their request to the mill agent, who took the matter under advisement and, based upon his judgment, accepted, rejected, or compromised the request.⁵⁵ There was no mistaking the hierarchical, unilateral, and arbitrary nature of the decision-making process at the S.D. Warren Company.

Nineteenth-century employers readily involved themselves in the private lives of their employees when they believed it to be part of their larger role of promoting social morality or when business imperatives required it. The S.D. Warren Company was

no exception to the practice of engaging in “moral surveillance” of its workers. In 1895, for example, the company sent a notice to workers threatening them with dismissal if they could not discipline their children who were trespassing on, and damaging, company property.⁵⁶ The company expected workers to comply with work rules or face dismissal. Smoking, for example, was prohibited in the mills and yards except during the noon hour and at specified places, and then only by employees who were off duty. Employees who worked at other places outside the mill yards were prohibited from smoking during their hours of service no matter where that service was performed. Offenders found their names on “a list.” It was not simply a matter of protection against fire that prompted such regulations; character development was equally important to the company:

The man, whatever his position, who cannot get along without smoking at his post or without leaving his post to smoke elsewhere, should seek employment in some line of work where smoking is permitted. All Superintendents, Foremen or Watchmen having authority, are directed to enforce this rule or report the offender.⁵⁷

While it is difficult to know with certainty the extent of such regulations, it is not surprising that the Company sought to secure compliance with rules that protected its property, ensured the efficiency of its operations, and contributed to the character formation of its employees.

Except for a very brief, “satisfactorily settled” strike among woman rag sorters in January 1880, S.D. Warren was strike-free. Labor unions did not find fertile ground among papermakers.⁵⁸ In the mid-1880s when the Knights of Labor organized four locals in Westbrook as it swept across the state, some voiced alarm that the harmonious relationship between labor and capital might be disturbed. “It is to be hoped,” wrote a resident, “that the well treated laborers of Westbrook will not lose their heads in the present ill-timed and disastrous agitation of the labor problems.” There is no evidence, however, that the Knights were able to scale the walls of the S.D. Warren Com-

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pany.⁵⁹ It was perhaps inevitable that a concerted effort would be made to organize the S.D. Warren Company at the turn of the century. A surge of craft unionism in the early years of the twentieth century gave birth to the Maine State Branch of the American Federation of Labor, which by 1914 boasted more than 18,000 union affiliated members.⁶⁰ In 1916 the Maine Federation of Labor reported that “rapid strides in the labor movement.” Membership probably exceeded the 20,000 mark.⁶¹

While organizers representing the papermakers had appeared on the Westbrook scene in the early years of the new century, it was not until 1916 that officials of the International Brotherhood of Papermakers committed themselves to organize the S.D. Warren Company at Cumberland Mills. International Pulp, Sulphite, and Papermill organizers sought to establish a local union at the S.D. Warren facilities at Yarmouth. After four months of organizational work, the Warren facilities at both Westbrook and Yarmouth were organized. The papermakers immediately sought recognition of their union (Local 105). The Company refused to yield, and on September 18, approximately 800 to 900 workers (about one-half of the work force) went on strike. The strike shattered the economic tranquillity of the city and challenged the S.D. Warren Company’s image of a conflict-free industrial environment. It also challenged the belief that “welfare capitalism” was the perfect antidote to labor conflict.⁶²

The hopes of the striking papermakers were encouraged by expressions of support from, and threats of sympathy strikes by, the various unions of Portland and the Pulp, Sulphite, and Papermill Workers’ Union at Yarmouth. Added to the mix of ingredients that contributed to the strikers’ enthusiasm were torchlight parades, mass picketing, mass rallies, inspirational messages of solidarity by national and local area labor leaders, local fund-raising activities, and efforts by local public officials, merchants, and the state’s commissioner of labor to resolve the conflict. The company, however, remained unshakable.⁶³

During the strike, many workers left the community, while others trickled back to work. After two weeks, the local union,



In 1916 the International Brotherhood of Papermakers organized the Warren mills at Yarmouth and Westbrook and went on strike, challenging the company's peaceful image – and the notion that welfare capitalism was the perfect antidote to labor conflict. *HISTORY OF THE S. D. WARREN COMPANY.*

by a near unanimous decision, voted to end the strike. It was enough for the Company to secure police protection, wait out the strike, “blacklist” strike leaders, point to the “labor agitators,” and summon up the company legacy of public spiritedness and paternalism.⁶⁴

A veteran employee of the Company undoubtedly spoke for many employees when, after cataloging the contributions of the company to its employees and the community, wondered what value had come of the strike which had been triggered primarily by “outsiders”:

Just a few words in regard to the effects of the Union so far. Disturbance of business, employees idle, homes divided and broken, life long friends estranged, all the people in the vicinity horrified and sad at this disgrace that has come upon us through the efforts of a few unbalanced

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heads among the employees, carried away by the presence and oily tongues of strangers, whose business it is to stir up strikes among friends and that care no more for the welfare of this community than for a stone in the street.⁶⁵

The S.D. Warren Company proved that it was not reluctant to retain “loyal” employees and penalize “disloyal” workers. It gave a “cash prize or present” to those who remained faithful to the company during the strike, and it announced that only the older employees who remained with the firm during the conflict would be beneficiaries of its pension plan. And, as a generic reminder and gesture of the consequence of rebellious behavior among its employees, it ceased to distribute turkeys for Thanksgiving Day.⁶⁶ Intentional or not, that action provided workers with an opportunity to give “thanks” for the “blessings” of employment and security provided by the company.

There was nothing in the legacy of paternalistic management that permitted the independent representation of workers through unions of their own choosing. When the cooperation, loyalty, and allegiance of its workers was shaken during the 1916 strike, it was easier to assume that some workers did not fully appreciate the benevolent spirit of their employer, or that they fell victim to non-residential agitators. It was clear, however, that the company would not yield its power to unilaterally impose whatever work arrangements and requirements it believed necessary to its success. Not until the mid-twentieth century was the labor movement able to penetrate the S.D. Warren fortress of paternalism.

Today, in workplaces and industries across the land, “new realities” generated by new technologies and global markets are spawning new efforts in search of non-adversarial relationships between capital and labor. While not identical in shape or form to those that characterized the pioneering days of the S.D. Warren Company, they are of kindred spirit in the search for a strike-free workplace composed of loyal and committed workers who will insure the competitive and financial success of the employers for whom they labor.

NOTES

¹*S.D. Warren, A Memorial Tribute* (Cambridge: Riverside Press, 1888), pp. 34-35 (hereafter cited as *Memorial Tribute*).

²*Fact Finding Report: Commission of the Future of Worker-Management Relations* (Washington, D.C.: U.S. Department of Labor and U.S. Department of Commerce, 1994).

³*Labor History Month 1995*, A Proclamation by the President of the United States of America (circular).

⁴Charles C. Heckscher, *The New Unionism: Employee Involvement in the Changing Corporation* (New York: Basic Books, 1988), p. 115.

⁵Charles A. Scontras, *Collective Efforts Among Maine Workers: Beginnings and Foundations, 1820-1880* (Orono, Maine: Bureau of Labor Education, University of Maine, 1994), pp. 329-375; *Journal of the House of Representatives of the State of Maine, 1883* (Augusta: Sprague & Sons, 1883), pp. 45-47.

⁶*Eastern Argus*, January 24, 26, 1887; *Kennebec Journal* January 26, 1887; *Maine Farmer*, January 27, 1887; *Rockland Opinion*, January 28, 1887; *Boston Globe*, January 26, 1887.

⁷*Sixteenth Annual Report of the U.S. Commissioner of Labor, 1901*, Strikes and Lockouts (Washington, D.C.: GPO, 1901), pp. 16, 18.

⁸*Ibid.*, pp. 72, 550.

⁹U.S. Congress, Senate, *Report of the Committee on the Relations Between Labor and Capital* vol. 3, Boston, October 18, 1883, testimony by Samuel D. Warren (Washington, D.C.: GPO, 1885), p. 385 (hereafter cited as *Report of Senate Committee*).

¹⁰*Eastern Argus*, February 27, 1886.

¹¹*Report of Senate Committee*, pp. 375, 380.

¹²*Ibid.*, p. 376.

¹³*Ibid.*

¹⁴*Ibid.*

¹⁵*Eastern Argus*, January 26, February 5, 21, May 4, June 16, September 7, December 17, 1881.

¹⁶*Industrial Journal*, October 26, 1883.

¹⁷*Report of Senate Committee*, p. 377.

¹⁸*Ibid.*, p. 376.

¹⁹*House Executive Documents*, 53d Cong., 3d Sess., 1894-95, vol. 34, *Eighth Special Report of the Commissioner of Labor: The Housing of the Working People*, by E.R.L. Gould, (Washington, D.C.: GPO, 1895), Chapter X, "Model Small Houses," pp. 322-24 (hereafter cited as *Eighth Special Report*). Housing policy changed in later years to make rental fees equivalent to five percent of the value of the property, plus taxes, insurance, and water rates.

²⁰*Ibid.*, p. 323.

²¹*Report of Senate Committee*, pp. 376, 381; Martin Green, *The Mount Vernon Street Warrens, A Boston Story, 1860-1910*, (New York: Charles Scribners, 1989), p. 26; *Memorial Tribute*, pp. 94-95.

²²*Memorial Tribute*, pp. 376-377.

²³*Ibid.*, p. 382.

²⁴*Ibid.*, p. 378.

²⁵*Report of Senate Committee*, pp. 376, 378.

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²⁶*Constitution and By-Laws of Cumberland Mills Mutual Relief Association* (Portland: Stephen Berry, 1882), in S.D. Warren materials, Maine Historical Society, Portland, Maine (hereafter cited as MHS).

²⁷*Report of Senate Committee*, p. 383.

²⁸*Ibid*; *Eighth Special Report*, p. 324.

²⁹*Report of Senate Committee*, p. 383.

³⁰*Ibid*.

³¹*Ibid*.; Sanford M. Jacoby, cited in Patricia Cayo Sexton, *The War on Labor and the Left* (Boulder, Colorado: Westview Press, 1991), p. 206; Department of Labor, Bulletin No. 31 (Washington, D.C.: GPO, November 1900), Victor H. Olmsted, "The Betterment of Industrial Conditions," HD 359, vol. 86, 56th Cong., 1st Sess., 1899-1900 (Washington, D.C.: GPO, 1900), pp. 1117-18.

³²*Ibid*., pp. 383-84.

³³*Report of Senate Committee*, p. 384.

³⁴*Eastern Argus*, February 27, 1886.

³⁵*Ibid*; "Order In Regard to the Employment of Labor" (circa 1895), MHS.

³⁶*Eastern Argus*, February 27, 1886.

³⁷*Rumford Citizen*, August 9, October 11, 1906; January 24, 1907.

³⁸*Ibid*., January 31, 1907.

³⁹David C. Smith, "Wood Pulp Paper Comes to the Northeast, 1865-1900," *Forest History* 10 (April 1966): 18; *S.D. Warren Files*, Cumberland Mills, Book 2. Also see "The First Hundred," *Warren's Standard*, 1954, for reference to reduction of the hours of day labor.

⁴⁰*Diary of John E. Warren*, January 18, 1895 to April, 1896, in Warren Memorial Library, Westbrook, Maine; *Eighth Special Report*, p. 324; *Ammonconglin Literary Club*, Westbrook, Maine, 1892, MHS; Hospital Service, Book 4, *Warren Files*; Warren, *Diary*, pp. 65, 68; John E. Warren, letter, March 13, 1896, *Warren Files*.

⁴¹*Sixteenth Annual Labor Report*, 1902 (Augusta, 1902), p. 98; *Twenty-third Annual Labor Report*, 1909, pp. 1-8.

⁴²*Twenty-third Annual Labor Report*, 1909, pp. 1-8; Green, *Mount Vernon Street Warrens*, p. 24.

⁴³*Twenty-third Annual Labor Report*, 1909, pp. 1-8; *Eastern Argus*, September 28, 1916.

⁴⁴Warren, *Diary*, p. 67; *Seventh Annual Labor Report*, 1893, p. 191; *Twenty-second Annual Labor Report*, 1908, pp. 20-21; *Public Laws of Maine*, 1911, Chapter 26.

⁴⁵*Bulletin of the U.S. Bureau of Labor Statistics*, May 15, 1913, no. 123 (Washington, D.C.: GPO, 1913), p. 5.

⁴⁶Green, *Mount Vernon Street Warrens*, pp. 17, 27.

⁴⁷*Memorial Tribute*, pp. 50, 105; Jno. E. Warren, et als., "To the residents of Cumberland Mills and Vicinity, on behalf of Warren Parish Church," circa, 1885, in *Warren Files*.

⁴⁸Charles A. Scontras, *The Origins of Labor Day in Maine and Historical Glimpses of Labor in Parade in Early Nineteenth Century Maine*, (Orono, Maine: Bureau of Labor Education, University of Maine, 1989), p. 19.

⁴⁹Green, *Mount Vernon Street Warrens*, p. 83.

⁵⁰*Eighth Annual Labor Report*, 1894, pp. 115-119.

⁵¹Book 4, *Warren Files*, January 31, 1896. The S.D. Warren Company's attraction to profit sharing may have been linked to the experience with such plans adopted in 1872 by Henry Oscar Houghton of Houghton Mifflin, Boston publishers. S.D. Warren was a personal friend of the publisher. (Green, *Mount Vernon Street Warrens*, p. 28).

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⁵²Smith, "Wood Pulp Paper Comes to the Northeast," p. 19. The profit-sharing scheme was abandoned after only a few years "for the sufficient reason that profits to warrant an appreciable dividend to the force were not made." See Nicholas Paine Gilman, *A Dividend to Labor: A Study of Employers' Welfare Institutions* (Boston: Houghton, Mifflin, 1899), p. 249; Book 4, *Warren Files*, "Cumberland Mills, January 31, 1896."

⁵³*Memorial Tribute*, p. 109.

⁵⁴*Report of Senate Committee*, p. 378.

⁵⁵Warren, *Diary*; also, correspondence dated March 16, 1893, Cumberland Mills, Maine, Book 6, *Warren Files*.

⁵⁶Jno. E. Warren, "To The Employees at Cumberland Mills," ca. 1895, Book 2, *Warren Files*.

⁵⁷Warren, *Diary*; Circular, "Smoking," Cumberland Mills, June 1, 1903.

⁵⁸*Bangor Commercial*, January 28, February 3, 1880; *Eastern Argus*, February 2, 1880.

⁵⁹*Journal of the Knights of Labor*, 1880-1917, pp. 2038-39, 2092-95; 2141-42, 2657; *Eastern Argus*, May 8, 1886.

⁶⁰*Proceedings of the Eleventh Annual Convention of the Maine State Federation of Labor*, Waterville, June 2, 3, 4, 1914, p. 6.

⁶¹*Proceedings of the Thirteenth Annual Convention of the Maine State Federation of Labor*, Portland, June 6, 7, 8, 1916, pp. 3, 11; *Eighteenth Annual Labor Report*, 1904, pp. 193-94; *Second Biennial Labor Report*, (Waterville: Sentinel Publishing Co., 1913-1914), pp. 192-205.

⁶²Warren, *Diary*.

⁶³*Eastern Argus*, September 19-30, 1916; *Third Biennial Report of the Department of Labor and Industry*, 1915-1916, (Waterville: Sentinel Publishing Company, 1917), p. 83.

⁶⁴*Eastern Argus*, September 29-30, 1916.

⁶⁵*Ibid.*, September 28, 1916.

⁶⁶*Ibid.*, October 11, 1916.