Chapter 2 The Industrialization of America

American farmers have utilized the same basic model as American industry in their pursuit of profits. That model is commonly referred to as industrialization. The fundamental characteristics of the industrial model are specialization, standardization, and centralization of control. Profits are achieved through the economic efficiencies of division of labor, comparative advantage, and economies of scale.

Over most of the past century, however, profits from farming have gone primarily to those who found ways to reduce costs first and expand production the fastest. Each new round of cost cutting technology has resulted in increased production and lower prices, erasing initial profitability. Late adopters have been motivated by survival rather than profitability, and chronically declining prices have forced the laggards out of business. A relentless, never-ending search for new sources of profits has been a necessity for survival.

Industrialization of agriculture has consistently lagged behind industrialization in most other sectors, but the process accelerated dramatically in the early 1900s. At that time, the potential societal gains from continuing the industrial revolution in the larger society were undeniable. We were still an agrarian society. More than half of the people of this country either were farmers or lived in rural communities, and it took about half of our total resources -- money, time, and effort -- just to feed and clothe ourselves. If we as a nation were to realize the emerging opportunities of the industrial revolution -- to become the modern society we know today -- we had to accomplish two things. First, we had to free people from the task of farming to go to work in the factories and offices of the emerging industrial economy. Second, we had to free up income spent for food and clothing so people could buy the things these new industries were going to produce. In short, American agriculture had to become more efficient. We had to make it possible for fewer farmers to feed more people and feed them better at a lower real cost.

Industrialization allowed agriculture to fulfill its public mandate. Through specialization, standardization and centralization of control nature was bent to serve the needs of humanity. Farmers gradually harnessed the vagaries of nature and transformed their farms into factories without roofs. Fields and feed lots became biological assembly lines with inputs coming in one side and commodities coming out the other. Economic efficiencies of large-scale production were achieved as the principles, strategies, and technologies of industrialization were applied to farming. Publicly funded research and education developed many of those new industrial technologies and transferred them from the experiment station to the farm.

Through industrialization, American agriculture became the most efficient agriculture in the world, at least in terms of the dollar and cent costs of production. This in turn made it possible for this nation to build the strongest economy in the world. The agricultural sector takes just pride in its past successes. But the objectives of industrialization have been achieved. The things that industrialization could do for America have already been done.

Today, less than two percent of the people in this country are farmers. Today, as a nation, we spend only about ten-percent, or a dime out of each dollar, of our disposable income for food. Equally important, the farmer gets only a single penny out of that dime, while nine cents goes to the marketing and input firms. We now pay more for packaging and advertising that we pay the farmer to produce the food. Future societal gains from the further industrialization of agriculture must be squeezed from the farmer's penny, because that's the only possible source of consumer benefit from increasing the economic efficiency of farming. Food would cost only ten percent less on average if the farmer got nothing. It simply doesn't make much difference to society today whether there are more farmers or fewer farmers or whether farmers are more or less efficient.

The industrial model made it possible for societies to rise above subsistence living. It removed much of the drudgery from work and made possible increased leisure time for pursuit of entertainment. But, industrialization now appears fundamentally incapable of sustaining human progress. The economic benefits of industrialization have declined as its ecological and social costs have risen. The goal of sustainable development reflects a new worldview of sustainable human progress. Sustainable agriculture is just one little piece of something far greater that is literally transforming human civilization.

By John Ikerd, from "The Economist’s Role in the Agricultural Sustainability Paradigm," a paper presented the Extension Pre-conference on Sustainable Agriculture, at the American Agricultural Economics Association Annual Meeting, San Antonio, TX, July 1996.

My transition from college to the business world did not go as smoothly as I had hoped. My shaky first step onto the corporate ladder was to be a warning of what lay further ahead. But in those days, I wasn’t into reading
warning signs or relying on intuition or insight. I was determined to be the master of my destiny.

I had interviewed with the personnel manager from Wilson Packing Company during my senior year in college. Wilson & Co. was one of the largest livestock slaughter and meat processing companies in the country at that time. Swift, Armor, Wilson, and Cudahy had been known as the big four in meatpacking, although some new players, like Oscar Mayer and Iowa Beef Packers (IBP) were coming on. When Wilson made me a tentative offer of employment, I accepted.

Back in the 1960s, military service was an obligation of every able-bodied young male. I had been through two years of ROTC in college, but I wasn’t very gung-ho about the military. I chose the path of least resistance. I signed up with the Army Reserve – six months of active duty followed by six years of being on call to go anywhere they might need me and to do anything they might need me to do. I had to get my six months of active duty out of the way before I could go to work.

I was scheduled to go on active duty immediately after graduation, but tenacity got in the way of progress. One evening during one of many senior celebrations at a local tavern, a fellow Crudder challenged me to an arm wrestling match. He was far bigger and stronger, but I was tenacious and could sometimes outlast a stronger opponent. We sat down at a booth, scooted the empty beer bottles aside, and the struggle began. His arm was powerful, but I gritted my teeth, summoned up all energy, and managed to hold my own – for a while. Suddenly, I heard something hit the table – the beer bottles flew. I turned my head to look – it was my arm. My shoulder was still pointed forward toward victory, but behind me, my arm lay on table in defeat. The bone between my elbow and shoulder had been twisted and broken.

At the student clinic, they gave me a choice between lying on my back for six weeks, with a weight holding my upper arm bone in place until it healed, or letting them operate and put in a few screws to hold the bone together until it healed. I chose the screws. I was able to graduate standing up, but in a body cast, unable to go either to war or to work. Life would have to wait a while. By the time I was physically able for active duty, the world was in crisis over the Russian blockade of Berlin. The army had no time to train new reservists; they were preparing for war. My induction into the Army was again put on hold and so was my job with Wilson & Co.

I had spent the summer between my junior and senior year on an internship working at the Kansas City Stockyards. We interns had done a little bit of everything, including driving cattle and cleaning pens, and everyone had seemed to be pleased with our work. So I called Jim Leathers, our contact at the Stockyards Foundation, and told him I needed a job for a while. He said that if it were going to be temporary, I would have to do the same work as anyone else who had just walked in off the street. I agreed and headed for Kansas City.

The work was menial, but I gained a lot from it – not the least of which was the refreshing of my memory as to what life is like for common laborers. I knew I would be chasing hogs and scrapping manure for only a few months, but many of the people I worked with would be doing this kind of work for the rest of their lives. For these people, the American Dream can never be anything but a dream. Perhaps they could achieve anything they might hope for, but many have lost the will to hope, and no one seems willing to help them find it. In February of ’62, after graduating in June of ’61, I finally got the call to report to Fort Leonard Wood, in the hills of south central Missouri, for activity military duty.

My six months of activity duty seemed like a waste at the time for me and for the Army. However, I still managed to learn some important lessons. For example, people who lack control over their lives often feel compelled to do things that just don’t make sense. Maybe following orders, even seemingly nonsensical orders, does make sense, at least in a way, when you are fighting a war. War doesn’t make sense. So, I guess we shouldn’t expect things that seem to make sense in fighting wars to make sense under any other circumstances. I’m not arguing against discipline – it’s often necessary. But, I am arguing against doing things that don’t make common sense, and that includes fighting wars. We’ve lost the victory the minute we give up on working out our differences peacefully. We fight then for survival – not victory. We have to be prepared to make war, because we know we may fail at making peace. But we should never be seduced by the illusion that the survivor of a war is a winner. And, war should never be viewed as a strategy or as a tool of foreign policy. I learned these common sense lessons first from some fellow soldiers who had actually known war.

In the Army, I also learned that most people rise only to the level expected of them. I was bored most of the time I was in the Army and gladly would have volunteered for nearly any work assignment, just to have something to do. But, volunteering was seen as a sign of brown-nosing. We were expected to try to avoid being put on work details if we wanted to be one of the troopers. So I learned to fall in near the middle of the platoon because they tended to pick people around the edges for details. I was in the middle anyway when we fell in alphabetically and would ignore anyone who mispronounced my name when troops were being selected for details. The
detail sergeants would call out something like “ekert” or “Ikeman,” and I would stare silently ahead. Most would then say, “Ah hell, Jones, fall in over here,” picking someone near me with an easier name. I became pretty good at doing what was expected of me. In fact, I excelled in mediocrity.

Six months of military life was more than enough for me. I was ready to get on with my life. As soon as I was released, I headed for Kansas City. I went to the offices of the Wilson & Co. meat packing plant and told them I was ready to go to work. The personnel manager who had interviewed me had retired, but I was carrying his last letter to me instructing me to report to work whenever I was through with the Army. So they gave me a job. I was a management trainee, but all management trainees had to start on the sales desk, taking meat orders called in by salesmen from the field. It seemed a lot like clerical work to me, but I accepted the fact that everyone had to start somewhere. After all, I knew where I was headed. I was going to amount to something in this business.

What I didn’t realize at the time was that I had just become a part of American industry. I was taking my place in a company that epitomized the industrial model of production and distribution. A packing plant might be more accurately described as a disassembly line, rather than assembly line, but the basic characteristics are the same. Only far later in life would I realize that the industrial model; characterized by specialization, standardization, and consolidation; has come to dominate nearly every aspect of contemporary American society. Not only does industrialization dominate business, but also nearly all public services – including education, research, and national defense. Volunteer groups, non-profit organizations, and even our religious institutions have become industrialized. The age of reason took on its physical being in the age of industrialization.

Most people probably haven’t stopped to think about it, but the ideas of industrialization and capitalism are only a couple of hundred years old. During the medieval era, people had completely different ideas about how business ought to be organized and how things in general ought to be done.

Before the industrial era, most independent merchants and craftspeople were organized into local guilds. Some guilds were formed for social and religious purposes – performing many of the functions of today’s civic organizations and local governments. Merchant guilds were formed to regulate and control local markets – the buying and selling of specific commodities. Craft guilds were producer organizations with members classified by the specific products they produced. In general, guilds were a sort of combination of local government, trade association, local monopoly, and consumer protection associations. They established quality standards, set prices, and defined the rules of trade. Guilds ensured that all within the community were treated equitably – if not always well. But the guilds were openly hostile to outsiders. Their rules of trade and methods of operation were more strongly influenced by local customs and religious principles.

Just as the industrial era replaced the medieval era, the industrial era is now being replaced with new ways of thinking about how people ought to organize for business and other purposes and how things in general ought to be done. Some refer to this post-industrial era as the information age or the knowledge-based era of development. Admittedly, this new era is still in its infancy; however, a fundamental transition in ways of thinking is quite clearly underway. The invention of the silicone computer chip, and associated computer hardware and software, has revolutionized the use of information – affecting everything from business accounting practices and home appliances to communications and entertainment. Some believe that biotechnology, which in essence is genetic information technology, could bring about similar changes in the realm of living things. The most important changes, however, are not the new technologies, but rather the new ways of thinking that gave birth to these technologies and the new ways of thinking made possible by these technologies.

Industrial methods are fundamentally mechanical in nature. The industrial organization is designed for a specific purpose, it is built according to a plan, and it functions according to some predetermined method of operation. The industrial organization works like a machine. If it functions according to plan, its purpose will be achieved. Inputs will be transformed into some more useful or valuable output. If it malfunctions, it has to be fixed. But it has replaceable parts – replaceable people who can be fired and someone else hired. If the industrial organization no longer serves a useful purpose, it must be redesigned, replaced, or abandoned.

Information, on the other hand, is biological rather than mechanical in nature. Information is created. It comes into existence through the act of combining related observations or data. When information is integrated with existing knowledge, it can grow into new knowledge and increase understanding. Information also multiplies in value as it is transformed into knowledge. If two people trade cars, each will end up with the other’s car. If two people trade ideas, each has the benefit of their own ideas, plus the other’s ideas, and possibly some new ideas formed by combining the two. New information also may cause some old knowledge to be discarded, as it becomes discredited thorough use of new or better information. Thus, knowledge is continually multiplied, regenerated, and renewed as it is used.
Instead of being used up, it grows. Information, like living things and unlike machines, is self-renewing and regenerative.

Ultimately, new organizational principles will emerge to nurture and support the creation and transformation of information and knowledge. Some of the new information-based organizations already have abandoned the old industrial model of linear, sequential processes and hierarchical command and control. Instead, they operate as networks of individuals or small groups who work simultaneously on different aspects of the same project, and work with a great deal of individual autonomy. They share information, and the structure of the project evolves and changes as new information and knowledge emerges from the product development process. These new post-industrial organizations depend on a strong commitment to a common purpose and set of guiding principles to hold the organization together. These new principles of organization may prove far more important than the new technologies in shaping the future of humanity.

The emergence of humanity from the industrial age into a new post-industrial, knowledge-based era of human progress will share many traits with the transition from the dark ages, through the renaissance, and into the industrial era. The new technologies may be different, but the principles of transition will be the same. Renaissance thinking failed to evolve to accommodate the changing world and to cope with the growing corruption of guilds and the other religious, social, and political institutions that dominated human society at the time. The dominant institutions failed to meet the needs of the common people. The industrial revolution was a consequence of this failure. But industrial thinking also has failed to evolve to accommodate the changing needs of a changing world since the industrial revolution. Our dominant institutions again are failing to meet the needs of the common people. Again, a new revolution will be the inevitable consequence of this failure.

The industrial revolution was supported by mechanical inventions, which in principle were not unlike the information-based inventions of today. The transition began in the late 1700s with development of the British factory system for mass-producing textiles. Inventions patented during a span of two decades fundamentally transformed the future of human society, beginning with John Key’s spinning jenny in 1764 and ending with Edmund Cartwright’s power loom in 1785. In 1769, James Watt, a Scotsman, patented the steam engine, providing power for British textile mills of the late-eighteenth century and for most of nineteenth century industry. Eli Whitney, an American inventor, provided a missing link when he invented the cotton gin in 1793, bringing a fifty-fold increase in efficiency of labor in removing seed from cotton bolls and opening a floodgate of raw material to feed the textile industry. The industrial revolution took a quantum leap forward.

However, it is doubtful that the technical revolution of the late 1700s could have occurred without a simultaneous political and social revolution. In 1776, Adam Smith, a British economist, wrote his landmark book commonly referred to as Wealth of Nations. Smith’s economic philosophies quickly spread around the world and provided the conceptual foundation for contemporary economic thinking. The foundation of Smith’s economic thesis was his observation that division of labor could generate large gains in efficiency, and consequently, could increase the wealth of individuals as well as nations.

If a group of laborers, who were each producing a given product (i.e. transforming raw materials into finished products), would instead each specialize in performing only one or two tasks involved in producing the product, they could perform these tasks much more efficiently than when performing all the tasks. Smith used the example of several workers making straight pins. He hypothesized that by specializing in cutting wire, sharpening, and forming heads, and then coordinating their functions, a group of workers might increase their output by as much as two-hundred-and-forty-fold over that of each worker making pins separately. Smith’s observations concerning division of labor and the potential gains from specialization provided the conceptual blueprint for organization of factory work, for assembly lines, and in general, for industrialized mass production.

Smith also provided the foundation for the political environment needed to support the industrial revolution. He observed, “It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self love, and never talk to them of our necessities but of their advantages.” Later, in reference to international trade, Smith states, “he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention… By pursuing his own interest he frequently promotes that of the society more effectually (sic) than when he intends to promote it.” These statements provided the foundation of today’s contemporary economic thinking – that the pursuit of short run self-interest is transformed into achievement of the public good. It has become conventional wisdom across American society: free markets transform individual greed into societal good.
A fundamental principle of modern representative democracy is one person, one vote at the polling place, no matter how many, or how few, dollars each one may possess. On the other hand, a fundamental principle of capitalism is one dollar, one vote in the marketplace, no matter how needy or affluent one may be. While democracy and capitalism are complementary in many respects, inherent conflicts exist between economic endowment and social equality. People, in general, do not have equal numbers of dollars with which to vote in the marketplace, nor equal abilities to earn dollars. The democratic proclamation that all men are created equal has a hollow ring in a free market economy. A nation that proclaims both capitalism and democracy as guiding philosophies, while failing to recognize and deal with this fundamental conflict, is a nation at risk.

Industrialism dominated the U.S. economy during the nineteenth century. Corporations played a major role in this domination. Specialization and standardization of production processes allowed consolidation of decision-making and control. One manager could control far more laborers producing far greater output under industrialization than under the old craftsman economy of pre-industrial days. Capital then became the primary factor limiting the size of industrial operations. The corporation, a concept dating back to the Middle Ages, was an ideal mechanism for consolidating capital from many individual investors to form large industrial enterprises.

Through corporations, large numbers of investors could acquire shares in the ownership of a company while limiting their individual liability. For sole proprietors and partnerships, individuals are liable for the debts of their companies to the extent of their total personal assets. But under corporate ownership, liability is limited to the amounts of the individual’s investments in the corporation. In addition, shares in corporations could be easily bought and sold, transferring ownership from investor to investor. Transferability of ownership gives the corporation an infinite life span over which to pursue profits, to grow, and to accumulate more capital. To amass still more capital, two or more corporations also can consolidate assets by combining shares held by of their stockholders.

In the U.S., consolidation of firms producing basic commodities, such as sugar, salt, leather, whiskey, kerosene, meats, and rubber goods, took place following the Civil War. This set the stage for American-style industrialization, when John D. Rockefeller formed his first corporate trust in late 1882. He persuaded stockholders in some forty different corporations to exchange their stock for shares in the Standard Oil Company of Ohio. This allowed Rockefeller to consolidate management and centralize decision making across a large segment of the entire
petroleum industry under one board of directors, which he chaired. Rockefeller exerted market power over the petroleum industry, manipulating supplies, and influencing prices and profits, in ways that were totally contradictory to the conditions under which Adam Smith imagined the working of an invisible hand. American industrialists ever since that time have attempted to follow Rockefeller’s lead.

By 1893, American Sugar Refining Company and the United States Rubber Company had joined Standard Oil in the merger game before a severe downturn in economic activity brought a temporary halt to further mergers. A second flurry of mergers, beginning in the early 1900s, led to the formation of such well-known companies as United States Steel, Du Pont, American Can, and International Harvester. Soon, large corporations not only controlled the American economy but dominated the American political process as well. Politicians and elections were routinely, often openly, bought and sold through bribes, lobbying, and corporate financing of campaigns.

Upton Sinclair’s book, The Jungle, published in 1906 gives the reader a vivid insight into the nature of early-twentieth century industrialism. Sinclair documented the inhumane and unethical treatment of both animals and people by the companies making up the powerful beef trust. He also illustrated the pervasive corrupting influence of the trust on the politics and government of Chicago during the early 1900s. Other trusts controlled the lives and livelihoods of other people and other cities, and together the trusts pretty much controlled the country.

However, the people rebelled. They demanded political and economic reform. Reform didn’t come easy, but at the urging of Teddy Roosevelt, Congress passed a number of laws designed to help enforce antitrust laws already on the books, such as the Sherman Antitrust Act of 1890. The new laws included the Elkins Act of 1903, aimed at the discriminatory trade practice of railroads, and the Hepburn Act of 1906, which strengthening the Interstate Commerce Commission. During Roosevelt’s two administrations, the Justice Department brought 43 suits against the corporate trusts and won several important judgments. One judgment resulted in the break up of Rockefeller’s Standard Oil Company Trust.

The Progressive Era in American politics continued through the Woodrow Wilson administration. In politics, the Civil Service replaced political patronage, crippling the powerful political machines, primary elections were instituted to select candidates for offices, replacing corporate deals in smoke filled rooms, and direct elections were mandated for election of U.S. Senators, replacing election of senators by state legislators in some states. All of these progressive era policies were direct attempts to limit, if not eliminate, corporate influence in politics.

The Progressive Movement, however, brought but a temporary pause in the industrialization of America. Henry Ford, the creator of the Model T, is credited with opening the modern era of American industrialization in the early 1900s. Invention of the internal combustion engine and discovery of abundant supplies of petroleum fuel paved the way for Fordian-style industrialization. In 1913, Ford opened his first automobile plant. Ford didn’t invent the automobile, and he was not the first to use interchangeable parts or assembly line production, but he was the first to combine successfully the concepts of specialization and standardization in developing a new and different industry.

Each person on a Ford assembly line, as on all assembly lines since, carried out a specific set of activities in a specific manner – performing as little more than a sophisticated machine. All parts were standardized and interchangeable. Each Model T was identical to all other Model Ts, allowing them to be assembled piece by piece and step by step, without regard to their individual identity. In addition, a corporate business structure allowed the Ford Motor Company, formed with capital from eleven individual investors in the Detroit area, to expand and eventually grow into one of the largest business organizations in the world.

Ford workers at first rebelled at the boredom of specialized, routinized, repetitive, mechanistic work, and worker turnover, at forth to sixty percent per month, was intolerably high. Ford is quoted as saying that his biggest problem was that he had to hire whole workers when all he really needed was their two hands. But in response to the worker revolt, Ford doubled his worker’s wages from $2.5 to $5 per day. Worker turnover dropped, productivity increased, and profits doubled within two years. Ford discovered that the American worker could be bribed to tolerate some degree of dehumanization. The modern era of industrialization was under way.

During the 20th century, the industrial model expanded far beyond manufacturing, and since, has come to dominate nearly every aspect of life in the United States and in all of the so-called developed nations of the world. The term industrialization is used most commonly to describe the transition from an agricultural economy to an economy based on manufacturing and trade. However, the transition from agriculture to manufacturing is a symptom, rather than the essence, of industrialization. As suggested previously, the processes of specialization, standardization, and consolidation, rather than a shift from agriculture to manufacturing, define
the process of industrialization. The transition of an economy from agriculture to manufacturing and trade is simply a consequence of applying industrial strategies to the process of economic development.

In an agrarian economy, most people provide for most of their own basic needs; they are largely self-sufficient. Self-sufficiency obviously includes provision of food, clothing, and shelter – i.e. agriculture. With specialization, some choose to specialize in producing food and fiber, allowing others to specialize in producing any of the many other things that we have come to associate with modern life. Those who manufacture things trade with farmers, and trade among each other, to get the food, clothing, shelter, and other things they need but don’t produce for themselves. With increased specialization, farmers become fewer, manufacturers become more numerous, and an increasing number of people are employed in producing nothing at all – they trade. Among the traders are speculators, brokers, regulators, lawyers, and a multitude of others who specialize in facilitating trade. Standardization and centralization emerge and evolve as means of realizing greater efficiency from the process of specialization.

Agriculture was among the last sectors of the American economy to become industrialized. At the turn of the twentieth century, America was still predominantly an agrarian society – over forty percent of all people still lived on farms and well over half of all Americans resided in rural communities that depended on farming. At that time over half of the nation’s productive resources – land, labor, and capital – were committed to producing food and fiber.

Twentieth century industrialization of the general economy would not have been possible without an increasingly efficient American agriculture. Large numbers of people were needed to go to work in the factories and offices of the emerging industrial economy. Increased emigration helped meet some of the increased demand for workers, but most would come from American farms and rural areas. America also needed to free productive resources from food and fiber production so people would have money to spend on all of the things that the modern industrial economy was preparing to produce. So, fewer farmers would have to find ways to feed more people better while taking a smaller share of consumers’ incomes. Otherwise, the industrial movement would falter and fail.

The efficiency of American agriculture was increased through industrialization – specialization, standardization, and consolidation – the same basic strategies used in rest of the economy. Once-diversified crop and livestock farms became increasingly specialized – first in crops or livestock, then in specific crops or livestock, and finally, in specific phases of crop or livestock production. Production processes were standardized and mechanized. Commercial fertilizers, pesticides, medications and other inputs were developed to make farms work as factories without roofs and fields and feed lots to function as biological assembly lines. Standardized inputs were applied to growing crops or animals at their various stages of production in attempts to produce standardized final products. As farms grew more specialized and standardized, each farmer could farm more land, produce more livestock, manage more workers, and utilize more capital. So farms became fewer and larger and decisions became more centralized or consolidated among fewer and fewer farmers. Farmers were told they were being freed from the drudgery of farming, so they could take their place in the factories and offices of the emerging modern industrial economy, which turned out to be a less humane kind of drudgery.

I have lived through much of the industrial era of agriculture. First, industrialization virtually ensured that I would have no future in farming. As farms become more specialized and standardized, each farmer was able to manage more resources, and highly competitive markets forced them to do so – to either get bigger or get out. So, as I was growing up, farms were becoming larger and consequently fewer. We could not have divided our one small dairy farm among the five kids in my family, or even among the three boys, and have enough resources for any of us to make a decent living. At most, there was room for one family to continue farming almost any family farm, and in most cases, existing farms were being consolidated rather than divided. The industrialization of agriculture meant that I had to get out of agriculture.

I got out of farming, the agricultural industry, but was soon working in the meat packing industry. Wilson Packing Company was the epitome of specialization, standardization, and centralization of control. The company was divided into separate specialized departments and divisions. Livestock slaughter and meat processing are accomplished by running the carcass of an animal through a highly mechanized, standardized disassembly process. Those of us who worked in offices had places on assembly lines of our own. We had a whole host of company policies and procedures, in addition to various government regulations, which forced us to march in lock step with the rest of the organization. Final control was clearly centralized, with authority resting with managers of individual plants, but ultimately in the corporate officers in Wilson’s Chicago headquarters. We were a specialized, standardized, centralized industrial corporation.

However, I must admit I had the privilege of working in one of the most interesting jobs in the whole company. That’s the only reason I was able to
last as long as I did. After nearly being fired while working on the order desk, I soon found myself on the road with the famous Wilson Six-Horse Hitch. I had been working only a few months, not liking it very much, when I learned that the Wilson Six-Horse Hitch was coming to town. Wilson, like Budweiser and a few other companies at the time, used show horses to promote their products. Wilson’s horses, like Budweiser’s, were Clydesdales – giant animals weighing up to 2,400 lbs., bay in color with flashy white hair around giant hooves, which they raise high as they move along. The horses were hitched to a large wagon that had been used to haul meat in Chicago in the early part of the century. We hitched six horses in three pairs of two – a wheel pair, a lead pair, and a swing pair in the middle (Budweiser hitches four pairs). The wheel horses were the bigger, stronger horses and the smaller more showy horses were in the lead. Even our horses were specialized.

We took our six-horse hitch around to supermarkets to promote Wilson brand meat products – hams, bacon, hot dogs, etc. Sometimes the event would be a new store opening but most times the event was simply that the big horses were there. The customers, by coming to see the horses, were more inclined to shop at that supermarket and were made aware of Wilson’s products. We called this type of thing “merchandising and sales promotion.” We covered the expenses of such promotions by getting retailers to sign merchandising agreements in which they agreed to buy specific amounts of our product and to feature specific Wilson products in their weekly newspaper ads. I later came to refer to this type of activity as games and gimmicks.

My merchandising career with Wilson almost didn’t happen. Johnny Deeg, the sales manager, told me that the Six-Horse Hitch was coming to town, and they needed someone to help with the in-store part of the promotions. To help bring attention to our products in the stores, we would have a random drawing every few minutes and give away prizes of various Wilson meats. The Hitch was scheduled for a series of appearances in Kansas the following week. They needed someone to help with the in-store promotion. Johnny Deeg wanted me there.

I agreed. I would be glad to get out of the office, but I had just one problem. I was in charge of organizing a reunion of the Old Crudders in Columbia, MO, which was scheduled for the next Saturday – one of the days John wanted me to be in Kansas. John was a company man and thought I needed to learn to be a company man as well – meaning that work should come before social commitments. I told him that a lot of people were counting on me and I felt it was important to fulfill my commitments, social or otherwise. He reluctantly agreed to find someone else, but I suspected at the end of our conversation that my future with Wilson had become quite questionable.

Except for that one day, I worked with the Six-Horse Hitch promotion during the remainder of their stay in the Kansas City area. It was a lot of fun – like show business. I liked the people who worked with the horses, including Harlan Conley, the fellow out of Chicago who managed the hitch. John Deeg was clearly surprised when Harlan asked him if he would be willing to let me go on the road with them for a while. Harlan had already selected someone new to take over the in-store part of the promotion, but that person wouldn’t be available for another six months. In the meantime, they needed someone to be their advance man, to drive on ahead, make hotel reservations, put up signs in the stores, and then handle the in-store drawings while the horses were outside. They wanted me. I wanted out of Kansas City.

I was to join up with the Six-Horse Hitch in early 1963, as they passed through Dallas on their way to Tucson. As was typical, I didn’t get off to a good start on my new job. I was waiting for them at the front entrance to the Texas State Fairgrounds, but they came in through the back way. I was supposed to be the advance man, but my group had bedded the horses in the stables and had checked into their motel. From there on out, however, I did a pretty decent job. Glenn Wolcott, the head driver, told me later it would have been nice to have someone who knew more about horses, but that I had been the best in-store man they ever had. That made me feel good – people like to be appreciated.

From Tucson, we went on to Phoenix, then back to the Dallas-Fort Worth area, before heading back to Missouri. We linked up with the Budweiser folks to do a series of performances at the American Royal Livestock Show in Kansas City. Budweiser would hitch six horses, to match ours, both teams pulling wagons would come out into the arena at full gallop, cut a couple of figure eight’s, crossing in the middle of the show ring, and then head for the exit, still at full gallop. This was excitement!

This was show business, but this also was the meat business. For example, I learned that Wilson made more profit from a twelve-pound box of hot dogs than from a 400-pound box of beef. The total cost of a hot dog is about ten-percent meat cost and ninety-percent processing, packaging, advertising, promotion, etc. The total cost of a side of beef is about eighty-percent beef cost and twenty-percent everything else. It’s a lot more profitable to sell the convenience and the hype of a hot dog than it is to sell...
meat. With Oscar Mayer just beginning to break into the national market back then, Wilson & Co. was selling lots of hot dogs.

Regardless, I loved every minute of it. From Kansas City, we went on to Chicago, which was uneventful, and from there, we moved on to Boston where I finished my stint with the Hitch in June. For a few months at least, I had pretty much escaped the confines of American industry.

With the Six-Horse Hitch, my career had taken a turn for the better. Back in Kansas City, my successful experience in show business apparently qualified me for the position of assistant merchandising manager. My boss was Winston Finney, a wild and crazy guy. Every Friday night there was a party at Finney’s house, and I was almost always there. No promotion idea was too far out for Finney. He even had a singing pig called Oink that worked with Uncle Heavy. Uncle Heavy would sing, “I’m Popeye the sailor man,” scratch the pig’s side, and on cue, the pig would add “oink, oink.” I also worked with a “midget” (as people then called little people) who boxed a kangaroo. We would set up a boxing ring on the supermarket parking lot, the “midget’s” wife would referee, and the kangaroo and “midget” would go at it for a few rounds, to the delight of kids of all ages.

Again, this was show business, but it was also the meat business. These games and gimmicks got Wilson products into the meat cases and got our hot dogs, bacon, and hams into the supermarket ads; and, that’s what it took to sell meat. Certainly, our products had to be of acceptable quality and reasonably priced, but we still had to beg, bribe, or otherwise convince meat buyers to stock and advertise our products. If we couldn’t get our products into the store, we couldn’t sell them – even if we had the best quality and the lowest price. Nowadays, slotting fees have largely replaced bribes, and TV ads have replaced six-horse-hitches and singing pigs in the promotion game. But, selling meat, or anything else, still depends on many things other than quality and price.

Another memorable experience during the Wilson years was the three weeks I spent in Atlanta with Henry Hite, the Wilson Giant. Henry billed himself as being 8 feet, 2 inches tall. He was actually only something like 7 feet, 9 inches, but he said he was two inches taller than another man who claimed to be 8 feet. Anyway, Henry was tall. Henry had been in vaudeville at one time and knew the managers at several Atlanta nightclubs from his vaudeville days. We did the supermarkets by day, but at night, we would make the clubs. Henry attracted attention everywhere, but in these clubs, he was a celebrity. I was tagging along and having the time of my life. Some might say that we were taking advantage of Henry, and perhaps in a sense we were, but we paid him good money and he could afford to live in a hotel in downtown Chicago with a bunch of his old vaudeville buddies.

Henry lived into his early sixties, which is pretty old for such a big guy. Most true giants die young, because they just don’t stop growing. There seems to be a naturally right size for all living things, including humans. Most things can exceed their normal size by quite a bit, as Henry did, and still function. But, a living thing just keeps on growing, eventually gets so big that its vital organs can’t support its mass, and it dies. Henry was lucky. His abnormal growth started in his early teens and stopped before he reached twenty. Most giants aren’t so lucky; they don’t stop growing. A business organization is a living thing and a national economy is a living thing. I learned a lot from the life of Henry Hite.

My downfall with Wilson was that eventually I had to come to grips with working within the corporate structure. I was promoted to merchandising manager for the Atlanta branch, which had been newly brought under the management of the Kansas City plant. The Atlanta folks were not happy about being bought under Kansas City, and I was the guy from Kansas City upon which they could heap their wrath. I worked as hard as I could and tried to get along, but I could see that things were just not going to work out. I was supposed to be signing the big chains to advertising contracts, but the branch manager had full control over product pricing. When I walked into a chain buyer’s office to pitch a promotion, the lowest price I could offer on a carload of bacon was no lower than the price other salesmen were offering to the corner grocer for a couple of boxes. The Atlanta branch manager wanted to prove to the folks in Kansas City that promotion ideas just wouldn’t work in South. I didn’t have a chance. After six months, I called the Kansas City plant manager and asked to be moved out – I didn’t care where.

I eventually ended up as Merchandising Manager and Coordinator of Key Account Sales in Detroit, Michigan. The Detroit branch was supplied out of our plant in Albert Lea, Minnesota, which was managed by John Deeg. The situation in Detroit was completely different from Atlanta. Detroit was a big sausage and specialty meat market for Wilson. Detroit was one of only a few places in the country where you could sell boxcar loads of pigs’ ears, chitterlings, or boned mutton. We had some good accounts in Detroit, but it was tough breaking into the others. I saw some buyers nearly every week for a full year without ever getting a single order. I learned to accept rejection – it’s not always personal.

I also learned a lot about working with nature while living in Detroit, although the lessons wouldn’t become clear until much later. Another young salesman, John Poutinen, and I became friends shortly after I arrived. John
and I were talking one day about how we had always wanted to sail a boat. So we just up and decided to buy a sailboat together. We bought a Sunfish—a two-four person fiberglass boat with a single nylon sail, impossible to sink but quite easy to flip. We read some sailing instructions out of a book, rented a slip on Lake Saint Claire, put the boat in the water, and set sail.

We sailed virtually every weekend between May and August—rain or shine, wind or calm. In the early days, we could hardly get the boat out of the marina, and when we did, we would flip it—even in modest ten-twelve knot winds. But after a while, we were able to zigzag back and forth sailing into the wind, while maintaining our speed and without tipping on the turns. It’s amazing that the wind will provide the power to sail into the wind. You just have to learn and use some simple principles of leverage—take a little time, working with the wind as you move against it.

We could sail with the wind in our face or at our back, but turning with the wind at our back was tough. At some point in each turn, the sail must pass the point from where the wind is pushing on one side of the sail to the point where it pushes on the other. As the sail swings past the tipping point, a stiff breeze can fill the sail with a powerful gust, push the boat sideways rather than forward, and can flip the boat before you can do anything to correct it. The trick is to make the shift gradually and smoothly, not allowing the sail to empty one side and fill the other too fast, and to have the boat ready to turn so the newly filled sail thrusts the boat forward rather than sideways. These lessons in leverage and tipping points would be important to my later thinking. By the end of the summer, we could sail with or against a 20-25 knot wind, with little worry of getting wet from anything other than the spray from our wake.

We would race madly in the gales and drift lazily in the breezes. We would sail miles from shore in all kinds of weather, because we knew we could always make it back. Once we returned in a storm with our sail less than a quarter open, wet and beaten by the wind, but still we returned. We learned to accept the weather, whatever it happened to be at any particular time on any particular day. We learned to accept whatever nature gave us and to make the best of it. We learned to live in harmony with nature, at least during our days on the water. The wind was our only source of power—we learned to make the best of whatever nature gave us.

Things seemed to be going pretty well for me in Detroit, although I was having growing suspicions that I didn’t want to spend the rest of my life in the meat packing business. However, I didn’t expect my career with Wilson to end in the midst of what could have been my biggest success. I had just made one of the biggest sales of bacon in the history of the company, through an agreement with one of my best customers, Boarman Foods. They would lease several refrigerated display cases to display our products and agreed to a regular schedule for featuring our bacon in their ads. Our penny a pound advertising allowance would cover the cost of the lease. It was all above board—which wasn’t always the case with some of our games and gimmicks. However, I was informed first by our liaison in Albert Lea, and then by John Deeg, that it was against company policy to lease equipment. “Why?” I asked. We did lots of other things that were much farther out than leasing equipment. I appealed to higher-level management in company headquarters, but to no avail. It was simply against company policy.

I decided I couldn’t work within the constraints of this company’s policies, so I started looking for other opportunities. As I learned later, the real reason they didn’t approve my sales promotion was that there was no way the company could supply the amount of bacon I had committed for sale. They just didn’t want to admit it. I was out there trying to sell products that my company couldn’t even supply. I felt betrayed.

I decided, maybe I didn’t want to get rich, after all. I didn’t see anyone up the management ladder in Wilson and Co. that I would like to trade places with. They were all company men. The company came before family, friends, and even before ethics at times. In merchandizing, we were expected to work at the edge of ethical and legal behavior, and it was just too easy to step over the edge to make a big sale. I wasn’t willing to sell my soul to the company in order to climb the corporate ladder. There had to be a better way to amount to something. So, I decided to go back to graduate school.

In school, I had memorized a few lines from a book, which I have never been able to relocate, that seemed to apply to my decision. As I remember the lines, “Life, you cannot subdue me because I refuse to take your discipline seriously. You try to hurt me, I laugh, and laughter knows no pain. You brought me into a world of poverty, but poverty has proven to be a blessing in disguise—for it has taught me patience, persistence, humility, and a thousand other things, which the idle will never know. You fill my heart with hope and then you dash water on the flames. But I rekindle the fire licked as far as I am concerned, for you cannot defeat me and have nothing with which to lure me away from laughter.”

I wasn’t laughing when I left Wilson and Co. but neither was I defeated. I had survived my first encounter with industry. I had not departed as conqueror, but neither had I been conquered. I would live to fight another
day. I had learned a lot about the real world of business and industry that would be of tremendous benefit in my academic career. I had learned a lot about selling, which would be of tremendous benefit in negotiating agreements and writing grants in later years. I had learned a lot about life – about the way people think and why they do what they do.

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