

by Rebecca Conard

Tallgrass Historians L.C. – Iowa City, Iowa

VALUABLE ASSISTANCE was provided by: Special Collections, Parks Library, Iowa State University; Mary Bennett, historian and archivist, Marvin Bergman, historian and editor, Ginalie Swaim, editor and designer, State Historical Society of Iowa-Iowa City; and Ralph J. Christian and Barbara Mitchell, State Historical Society of Iowa-Des Moines. Jan Olive Full, Jennifer A. Price, Eric Lana, and Allison Woods of Tallgrass Historians L.C. provided research assistance, and Robert Burchfield copyedited the manuscript.

Designed by Scott Romine

Printed by TruArt® Color Graphics, Iowa City, Iowa 2010

On the Cover: Rath's advertisement in the March 15, 1954, issue of *Life* magazine was in full color. Iowa State University Library, Special Collections. Above: Postcard view of The Rath Packing Company plant, c. 1935. Collection of Jan Olive Full.



Bringin' Home the Bacon



The Rath Packing Company in Waterloo 1891-1985

The Rath Packing Company, founded in the 1870s, was once a giant among Iowa's ag-based industries. From 1891, when Waterloo boosters lured the Rath family to the banks of the Cedar River, to 1985, Rath was one the leading companies in Iowa's "factory city." At its peak, in the 1940s and 1950s, Rath also was one of Iowa's largest employers. The company capitalized on lucrative wartime provisioning contracts to expand its operations and product line. Its distribution network extended from coast to coast and to select markets abroad. Shrewd marketing strategies targeting busy middle-income women made Rath's Black Hawk Bacon and Tend'r Ham popular brand-name foods throughout the nation.

But labor-management problems plagued the company from the late 1940s on, and insular family-controlled management practices made it difficult for the company to change with the times. Beginning in the 1960s, management missteps, changing dietary habits, and changes in the meatpacking industry itself gradually eroded Rath's position. In 1980, an innovative employee stock ownership plan rescued Rath from bankruptcy, extending its life another five years, but it was not enough to return the company to profitability. The Rath plant, reportedly the largest multistory, single-unit meatpacking plant in the world, was auctioned off in 1985. Portions of the plant were adapted to new uses for various light industries. But much of the complex, an assemblage of nearly 200 structures that grew by accretion over a period of several decades, could not be rehabilitated. Piecemeal demolition slowly reduced its size. The administration building, constructed in 1925, remains as the most recognizable symbol of Rath's imposing presence on Waterloo's urban landscape for nearly a century.

The Indian head trademark of The Rath Packing Company, known as the Cadillac of Iowa meatpackers, once could be found prominently displayed in meat counters across the country. Rath was especially known for the quality of its cured ham and bacon. In the figurative sense, then, this is a story of bringin' home the bacon – company leaders who consistently delivered profits to investors for several decades, line workers who delivered meat products for distribution, and consumers who bought those products for the dinner

table. It is the story of a company that once was an industry leader; the men and women who worked the line, transforming livestock to food products; and the marketing magic that blurred the processes of meatpacking to foreground product quality, enticing shoppers to pick Rath products from the meat case. Ultimately. however, it is also the story of a company that could not sustain itself, and perhaps need not have failed.



The Rath Administration Building, 1941.

Vaterloo Packer, 1941, State Historical Society of Iowa-Iowa Ci

Rath and the Meatpacking Industry in Iowa

Iowa's rise to prominence in the meatpacking industry began during the Civil War, which accelerated the transition of meatpacking from a mercantile activity to a manufacturing industry and facilitated its westward migration by altering patterns of procurement and shipping. Entrepreneurs in Mississippi River towns benefited first from the westward shift, and Iowa's early packing centers were located at Keokuk, Burlington, Davenport, Sabula, and Dubuque. Between 1850 and 1875, while Chicago was replacing Cincinnati as the nation's pork capital, Iowa remained a minor producer, although its share of pork packing revenues steadily rose.²

Railroads quickly altered the transportation and shipping landscape in the postwar years, and Cedar Rapids eclipsed all the Mississippi River packing centers in the 1870s. T.M. Sinclair, a small New York packer originally from Ireland, opened a plant in Cedar Rapids and by 1874 had the largest operation in Iowa and the eighth largest in the nation. Sinclair and Co. remained number one in Iowa until 1894, but during the 1880s, other newcomers expanded the industry across the state. In 1877, John Morrell and Co., wellestablished pork packers based in Liverpool, England, chose Ottumwa as a western site to complement its Chicago operations. Liverpool capitalists also controlled firms that dominated the meatpacking district in Des Moines. Sioux City emerged as a major packing center in the late nineteenth century, then

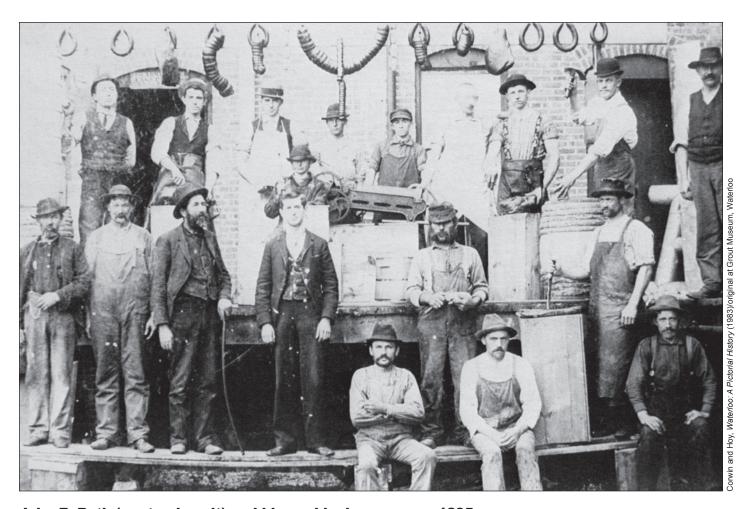
eclipsed Des Moines, Cedar Rapids, and Ottumwa to become Iowa's number one pork packer, a position the city held well into the 1920s.³

George Rath, a German immigrant, entered the pork packing business in Dubuque just as river towns were losing their edge to booming railroad towns. Rath, who started as a merchant and then added a small pork packing operation, represented the preindustrial phase of slaughtering and processing meat for local and regional distribution. His son, E.F. (Edward Frederick), who joined him in business in 1873, would take the company to new heights, but in Dubuque, George Rath and Son remained a small packinghouse and retail market. When fire destroyed their plant in 1891, a door of opportunity opened. Several ambitious cities courted the Raths, including Waterloo, which was soliciting a meatpacking firm as part of its bid to become the "Factory City of Iowa." Waterloo not only provided the advantage of three trunk rail lines, but the Waterloo Board of Trade, in conjunction with the Waterloo Improvement Syndicate, closed the deal with an offer of land on the Cedar River, tax concessions, and \$10,000 in capital.

During the negotiations, George decided to stay in Dubuque, but his cousin John, who also emigrated from Germany and by then was well established as a banker in Ackley, decided to join the new venture. Together with a few local investors, they organized Rath Packing Company in 1891. E.F. and George invested their \$10,000 from Waterloo and received 100 shares of stock; John Rath and S. Shilliam, a feed merchant, invested \$5,000 each and received



View of The Rath Packing Company plant in 1901.

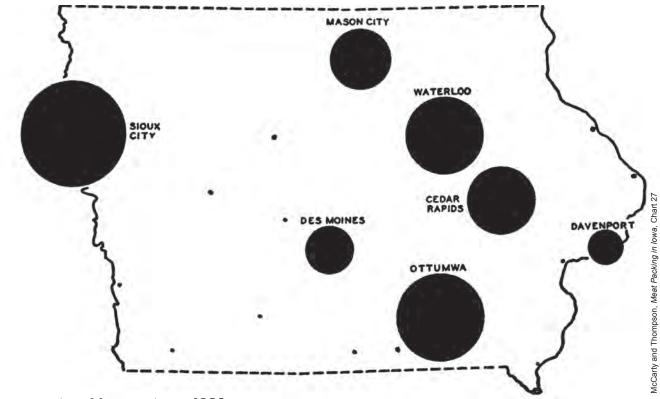


John E. Rath (center, in suit) and his packinghouse crew, 1895.

50 shares; and five other local investors, including a grocer, an attorney, and a meat market, invested lesser amounts for portions of the remaining 50 shares, for a total capitalization of \$25,000.4

The company built a modest brick building that housed all operations. For a short period, E.F. supervised plant operations, handled orders and sales, and kept the books. Very quickly, however, he realized that he needed an operating partner, so John Rath sent his son, John W., who had just finished a year at Bryant & Stratton's business college in Chicago. J.W., as he was better known, set up a bookkeeping system and managed the business side. Including E.F. and J.W., the company had 22 employees. After a profitable first year, the Panic of 1893 delivered three years of operating losses. J.W., who initially thought his job in the fledgling business would be temporary, instead took on more responsibility and began handling sales, even helping to pack orders. By 1896, the business was on its feet and growing, and E.F. was elected manager with a salary of \$1,200 a year. J.W. was elected president in 1898, the year the business was incorporated. Rath retired its debt in 1900, paid its first stock dividend in 1903, and constructed the first addition to its original building in 1905. Such were the beginnings of the company that would become one of Waterloo's leading industries and the nation's ninth largest meatpacking plant during Rath's heyday.⁵

In 1908, Rath added beef slaughtering and processing to its existing pork operation, and by 1910, E.F. and J.W. had grown the company to the fourth largest packinghouse in Iowa. Lucrative World War I contracts to supply meat to the armed forces propelled tremendous expansion in the 1920s. Rath established branch finishing and distribution centers and launched its own fleets of delivery trucks and refrigerated railroad cars. Shareholders and capital increased rapidly, the board was expanded, and the company was organized into nine departments, four of them headed by family members. Reuben A. Rath, E.F.'s son and a graduate of Iowa State, ran the Sales Department; Howard H. Rath, J.W.'s son and a graduate of the University of Illinois, ran Export Sales; and George Rath, also a son of E.F., headed the Mechanical Department (he later left the company's employ). A.D. Donnell, another University of Illinois graduate and married to J.W.'s



lowa meatpacking centers, 1930.

daughter Anita, was named General Superintendent. Rath's expansion mirrored Iowa's changing status in the meatpacking industry. During the 1920s, Iowa steadily captured a larger share of the nation's fresh and cured pork production, moving into second place behind Illinois in 1927. In 1928, Rath's annual hog slaughter topped one million for the first time. In 1929, Rath stock went public, listed on the Midwest Exchange (Chicago) with \$6 million in authorized capital.⁶

Growth continued in the 1930s despite the depression: benefiting from low livestock market prices and no debt load, the company plowed profits into technological innovations and state-of-the-art facilities and continued to expand its workforce. The last original buildings were removed in 1937, and by the end of the decade, the plant comprised more than 130 buildings. It represented the epitome of mid-twentieth-century packinghouse design: a multistory complex that funneled operations from the abattoir on the top floor through various cooking, smoking, and other processes on the mid levels to packaging on lower levels and distribution on the ground floor. Although Rath remained primarily a pork packer, it expanded beef production in the 1930s and also added veal and lamb. Total animal slaughter topped two million in 1939. In addition to a traveling sales force, Rath operated branch houses in Des Moines, Decatur, Houston, Dallas, San Antonio, Los Angeles, San Francisco, Seattle, and New York City.⁷

By its fiftieth anniversary in 1941, Rath had built the nation's largest single-unit meatpacking facility, often cited as one of the most modern. On the eve of World War II, Rath also was Iowa's second largest employer with nearly 4,500 workers, exceeded only by its Waterloo neighbor, John Deere Tractor Co. World War II brought more lucrative provisioning contracts, and Rath continued to expand, eventually reaching a peak workforce of 8,841 in 1956, the same year that net earnings reached an all-time high. Rath was at its pinnacle throughout the 1950s, despite persistent labor unrest and postwar changes in American eating habits that led to declining per capita pork consumption.⁸

In the 1960s, Rath began to falter. Labor relations remained rocky, and constant turnover among company executives made strategic planning difficult. Iowa Beef Packers opened its first single-story plant in 1960 and began an aggressive campaign to undercut old-style packers. Debt began to mount, reducing working capital. Rath gambled that it could reestablish profits by dropping lamb, veal, and beef and investing \$6.75 million in its Waterloo plant to process pork more efficiently. On its 75th anniversary in 1966, Governor Harold Hughes celebrated Rath as the "prototype of the kind of industry that has given Iowa its strength" and bravely predicted that it would "sustain its greatness in

the future." Changes made in the 1960s did help Rath record one of its most productive years ever, in 1971, but it was a momentary triumph. By the late 1970s, the company was on the brink of bankruptcy. An innovative employee-ownership plan gave it a few more years, but it was not enough for full recovery. Meatpacking still contributes to Iowa's economic strength, but Rath missed its centennial by six years.9

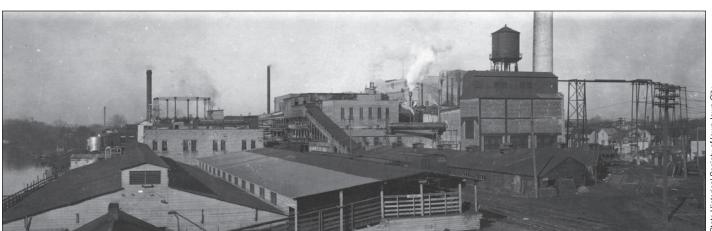
From Line Workers to Packinghouse Rats

On December 1, 1891, the first day of plant operations in Waterloo, Rath workers killed 49 hogs. They were paid the going rate of \$.15/hour [\$3.53] for common labor, 10 and they worked 60 hours a week. 11 By 1904, the workforce had grown from 22 to 40. The subsequent rise and fall in employee numbers benignly charts Rath's fortunes over the course of the next 80 years: 2,000 workers in 1928 – 3,000 in 1936 – 4,600 in 1939 – 6,195 in $1941 - 5{,}110$ in $1945 - 7{,}270$ in $1949 - 8{,}841$ in 1956. 12 The workforce dropped to approximately 6,000 in 1966, when Rath restructured operations. By 1981, the number was down to 2,928. During the last full year of operation, 1984, the workforce fell from 650 to 250.13

The many discrete tasks involved in slaughtering, butchering, preparing, and packaging meat are perfectly suited for assembly-line work, although in meatpacking, of course, the process is *dis*assembly. As Rath grew in size, discrete tasks became separate departments along the line, and the company shaped the workforce of each according to perceived notions about who was suited for each task. Men made up the bulk of the workforce and did the physically demanding jobs of killing, scalding, scraping, and splitting carcasses, as well as the skilled-knife

jobs that carried the highest wages. Men also held jobs associated with plant operations and facilities maintenance. Women worked in those departments that prepared meat products for distribution to retail markets. Waterloo's black population, which began to swell in the 1910s during the Great Migration north, could find jobs at Rath. However, in keeping with accepted discriminatory practices of the day, Rath assigned African American men to the dirtiest jobs in the shackling pens, kill floor, and hide cellar.¹⁴ Black women were hired only for custodial positions. In addition to working in lower-paying, gendersegregated jobs, all women were subject to sexual harassment, and some were sexually exploited. 15 To a considerable degree, meatpacking remained a seasonal business, requiring more workers during the late fall and winter, after harvesting was finished. Thus, Rath hired many area farmers, who tolerated the hard, disagreeable work in order to earn extra income during their off-season. Rath also tended to hire workers from the same family, a practice compatible with the company's family-owned-business image. These practices, coupled with managers who thwarted union organizing with their discretionary use of power and personal relationships, enabled Rath to maintain a high degree of discipline in and control over its growing workforce until World War II.16

Despite harsh working conditions and low pay, Rath workers worried more about job security in the 1930s. As unemployment throughout Waterloo rose, long lines of hopefuls assembled outside the plant each morning. Velma Otterman, who went to work at Rath in 1928, starting at \$.23/hour [\$2.78], recalled that "when they wanted to lay anybody off they'd walk up and down the aisle . . . and torment people. Then, when you went to check out, they'd just hand you a



View of The Rath Packing Company plant in 1923.



Employees of The Rath Packing Company, November 7, 1923. A panoramic photo (in two parts) by Hebard Showers Co., Des Moines, Iowa.







red slip and you were laid off. And there was nothing could be said about it." Although Rath had "some awful nice foremen," according to Eugene Weems, a few abused their power to hire and fire in an openly tolerated practice of "whiskey-bottle seniority." As morale among workers sank, their hostility toward management practices rose.

New Deal labor policies under President Franklin Roosevelt sought to establish a fair balance of power between management and labor in order to quell labor unrest throughout the nation and strengthen the economy. When Congress passed the National Labor Relations (Wagner) Act in 1935, guaranteeing unions the right to bargain collectively, the Packinghouse Workers' Organizing Committee quietly began to organize the Rath plant, meeting in small groups and passing handbills among the workforce. From the beginning, black and white organizers stressed the need for interracial cooperation in order to create an effective union. World War II intervened, however, and cost-plus government contracts led to higher wages. 18 Fred Kercheval, who as a college student took a summer job at Rath in 1941, recalled his joy at earning \$.72/hour [\$10.13], whereas the previous summer he had worked in construction earning \$.50/hour [\$7.39]. The work was bruising, but, in addition to significantly higher wages, he "had [his] own locker in the employees' building, a place to shower each day after work and a company cafeteria in which to eat [his] meals where the food was sold at cost to the employees."19 By then, women's wages in meatpacking had risen to about \$.47/hr. [\$6.62].²⁰

World War II changed the profile of Rath's workforce. A 14-foot neon sign placed above the entrance to the Employees Building kept a running tally of employees who left to serve in the armed forces— 2,689 men and women in all, including 76 "gold stars" who would not return.²¹ On the homefront, government contracts stimulated production, requiring more workers. Women's departments, in particular, expanded in order to supply the processed meats that fed the troops. Women also moved into traditionally men's jobs, including those on the kill floor, although they relinquished these positions at war's end. During the war, workers also succeeded in forming an independent union: Local 46 of the United Packinghouse Workers of America (UPWA).²² For the remainder of the war, Local 46 honored UPWA's no-strike pledge while it steadily gained members throughout the plant. Eugene Weems

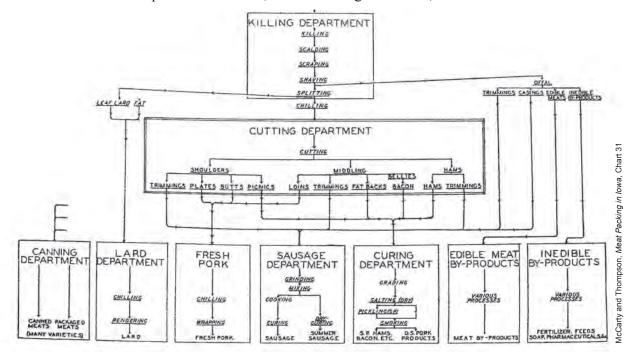
recalls that when he came back from service, "Rath's was a different place to work" because of the union.²³ In the immediate postwar period, the company, with record earnings in the bank, assented to wage increases, paid holidays, and paid sick leave in return for a smooth transition to postwar production.²⁴

Passage of the Taft-Hartley Act in 1947 empowered states to decide whether unions could demand a "union shop" provision in labor contracts, thereby requiring companies to hire only union members. Subsequent passage of Iowa's anti-union right-to-work law in 1948, defeat of meatpacking workers in the infamous 1948 strike. and pervasive Cold War fears of any activity that could be construed as socialist assured that labormanagement struggles would persist. The 1948 strike was particularly divisive. In March of that year, the UPWA called an industry-wide strike, in part to protest Taft-Hartley and in part to force wage hikes to keep up with postwar inflation. Rath workers joined more than 80,000 who walked off the job in 65 plants nationwide. Meatpacking companies, however, steadfastly refused to raise wages as high as the UPWA demanded, and the strike turned into a long struggle. The toll at Waterloo was especially high. As the strike lengthened into its third month, peaceful resolve diminished along with financial resources. Mounting frustration gave way to violence that left one man dead and a woman injured. The incident precipitated a riot that left the plant in shambles,

which reinforced the company's determination not to negotiate. Rath workers eventually returned to the job with a \$.09/hour wage increase [\$.84], exactly what the company had offered at the beginning. The company also rewarded nonstriking and replacement workers with super-seniority.²⁵

James Hamlyn recalled that bitterness over the imposition of super-seniority ran deep: "it broke up a lot of good friendships" and even divided families. "We had two sisters that used to work right across the table from each other, and one went in and scabbed and the other one stayed out. They wouldn't even speak to each other." Others point out that the strike tested Local 46's commitment to the UPWA's racial equality policy, and worker solidarity triumphed. Black and white strikers together confronted Iowa National Guardsmen called out by Gov. Robert Blue to quell the riot, and black and white union members marched together in the slain worker's funeral procession. 27

After the strike, Local 46 regained its footing and by the early 1950s was the largest CIO affiliate in Iowa.²⁸ It also developed "the unfortunate reputation," in Gene Redmon's words, of having "some of the most wildcats in the packing industry."²⁹ Union activists, especially men, often referred to themselves as "packinghouse rats" to express worker solidarity.³⁰ Rath, in turn, gained a reputation as a labor-plagued company.³¹ Although some work slowdowns and walkouts were simply adversarial flexing of muscle, Local 46 succeeded in eliminating



Routing of materials through a typical pork packing plant.



Gendered roles were on display in this posed photograph of Rath's sliced bacon department, 1941.

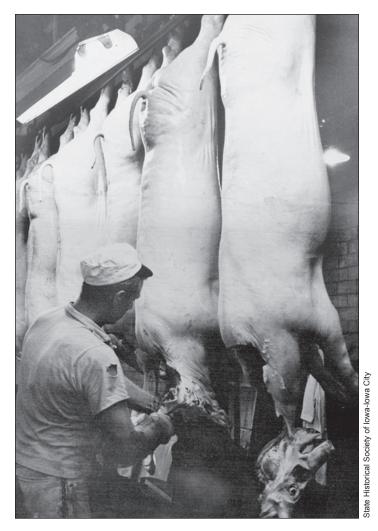
the punitive super-seniority clause. Importantly, the local's Anti-Discrimination Committee, in concert with militant black and white union members, also systematically challenged hiring and management practices, desegregating the plant one department at a time, beginning in 1953 with the hiring of black women to work in the sliced bacon department, a spotlessly clean, highly mechanized department that Rath showcased in its advertising. Local 46 members, emboldened by the UPWA's activist stance on civil rights and social change, also worked with community organizations, including the local NAACP chapter, to fight racial discrimination outside the plant.³²

By the mid 1960s, Local 46 had negotiated wage increases that ranged from \$2.86/hour [\$18.79] for common labor to \$3.85/hour [\$25.29] for the most skilled jobs, plus paid vacations, medical insurance, and retirement benefits.³³ Changes in the meatpacking industry, however, undermined the company's already razor-thin profit margin, forcing it into retrenchment. The company's investment of \$6.75 million in modernizing and streamlining the Waterloo plant also decreased the number of jobs. In an era of increasing uncertainty about profitability for the company and job security among workers, Rath put more effort into solving labor-management problems in order to avoid costly work stoppages.³⁴ For its part, according to Fred Nolting, Local 46 "really got together and worked with the company and tried to keep the whole ship afloat."35

Sales increased overall during the 1970s, but profits sank as revenues were redirected to service debt.³⁶ In 1980, Rath's workers made one more contribution to labor history before the company went under. Local 46 union president Lyle Taylor

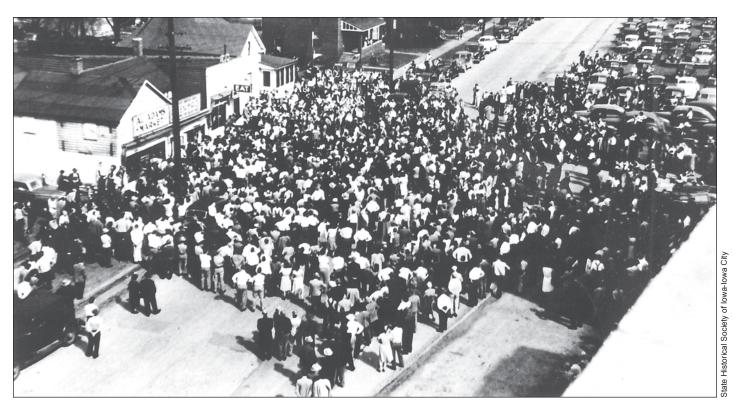


African American employees working on the kill floor, 1950s.



A worker begins the disassembling process, 1950s.

and chief union steward Chuck Mueller led an inspired effort to save the company through an employee stock ownership plan (ESOP). Employees purchased a 60 percent controlling interest in the company, with employee stock held in a trust rather than individually owned. Rath's ESOP was a fully cooperative program that required building a bridge of trust where none had existed between labor and management. Both sides rose to the challenge, although changing old habits was never easy. A team of industrial relations experts from Cornell University, who regarded Rath "as the landmark case in [an] emerging pattern of ownership and control," worked closely with the union, board, and chief executives from 1979 on to help restructure the company, develop new management practices, and troubleshoot problems. By 1983, the company had solved many of its internal problems and showed promise of recovery. All of that changed when its principal lender pulled the plug, forcing the company to declare bankruptcy.³⁷



Rath employees gathering near the plant during the 1948 strike.

From the Land O' Corn: Products and Consumer Marketing

Rath adopted brand names that reflected its location—Black Hawk (first-grade products) for Black Hawk County and Cedar Valley (secondgrade) for the company's site on the banks of the Cedar River. Up to World War I, they also reflected the localized nature of Rath's market.³⁸ However, as Rath expanded in the 1920s, company officials realized that these brands had little potential to create national-level name recognition. Thus, it began to associate the name "Rath" with "fine foods from the Land O'Corn." Likewise, company trucks and refrigerated railroad cars prominently displayed the name "Rath Packing Company," not its two product labels. Both fleets distributed an increasing array of processed, packaged products to 30,000 butcher shops and grocers located throughout Iowa and the Midwest, as well as from coast to coast. Rath also exported products to Europe, the Caribbean, Mexico, the Philippines, and other Asian countries. Products reflected consumer tastes of the day. In addition to Rath's core staples – cured ham and bacon – the product line included 8 types of dry sausage, salami, and proscuitto; 18 varieties of canned, vacuum-cooked meats, ranging from Rath's popular Tend'r Ham to

chili con carne with beans to pickled pigs feet and spiced pork tongue; and 14 other cooked specialties, including wieners, ham loaf, braunschweiger (smoked liver sausage), and country-style sausage.³⁹

Provisioning contracts during World War II required expansion of capacity to supply processed meats with a long shelf life, and as the company looked ahead to postwar business conditions, it capitalized on its investments in processed-meat production, which held the best profit potential. Rath adopted a new logo to brand a growing line of products, led the way in developing new specialty frozen-meat products, and launched a national marketing strategy targeting middle-class households, especially stay-at-home and working moms who were devoting less time to meal preparation but still conscientiously managing household budgets.⁴⁰

Declining profits in the fresh meat market also drove this aggressive product development and consumer marketing program. Rath was not alone in its efforts; meatpacking companies industry-wide scrambled to offset losses in fresh meat, where market fluctuations made it impossible to control costs for meat animals on the hoof, and fresh meat sold in bulk to butcher shops and independent grocers offered no opportunity for adding profit value before distribution.⁴¹

In 1946, Rath hired well-known New York package designer James Harley Nash to create a distinctive company image. Nash came up with the abstract Indian head design in red, which did indeed become synonymous with the name "Rath." It was a representation that resonated with established regional consumers who knew of the Sauk warrior for whom Black Hawk County was named, but also abstract enough to create visual recognition among potential customers who vaguely associated meatpacking with the cornlivestock regions once inhabited by Plains Indians.⁴²

Simultaneously, the company started working on new products and in 1953 established a Research and Development Department. Home economists conducted consumer testing and worked closely with Earle Ludgin & Co. of Chicago, selected to develop an advertising strategy that could transform Rath's distribution system, widespread but scattered, into a truly national market. Shortly thereafter, newspaper display ads began appearing in about 30 cities where Rath had branch operations, and four-color ads reached homemakers nationwide through the pages of *Life*, *McCalls*, and *Reader's Digest*. The ads linked Rath's Indian head

trademark and premium Black Hawk name brand with "the Iowa story" and its plant, "located smack in the middle of the corn country." Rath hams and bacon, products that had established reputations for quality, were "pictured among handsome country props – china pitchers, copperware, hand-crafted furniture – giving both a rural and fine living connotation."⁴³

Product development worked hand-in-glove with the advertising strategy. In 1958, Rath test-marketed a packaging innovation that soon became known as the "Tux pack." The company had been among the first to market sliced bacon, and this packaging device, now the industry standard, offered another convenience to homemakers. Slices of bacon, evenly spaced horizontally on a cardboard base, could be easily removed from and repacked into the carton. Also debuting in 1958 were Hickory Smoked Hamin-a-Can and Society Brand Ham – boneless, fully cooked, and packaged in a foil wrapper. Honey Glazed Ham, Ham Cooked in Champagne, and Hawaiian Ham followed, along with a mail order Christmas Gift Ham program to boost sales. 44

The mid 1950s to mid 1960s were banner years



Consumers purchased Rath products from local butchers and grocers.



In 1954, Rath introduced beef, pork, and veal Chop-ettes to large urban markets.

for product innovation. In 1954, the Research and Development Department test-marketed Chop-ettes, a chopped, formed, and breaded frozen product that came in pork, veal, and beef varieties. After gradually introducing Chop-ettes to large urban markets, Rath invested in new automated production facilities and mounted a sophisticated marketing effort. Marketing frozen food, however, presented a challenge because the folksy "Iowa story" didn't fit the products, which were developed primarily for busy women shopping with price and convenience in mind. To reach this market, Ludgin & Co. created menu ads featuring quick-andeasy, cost-effective recipes for "Pork Southern," "Beef Rancho-Style," and "Veal Piccalilli Dillie" Chop-ettes. 45

Responding to consumer preferences for leaner meat, Rath built an experimental hog farm on the outskirts of Waterloo. Here, the company demonstrated to swine producers the advantages of meat-type hog production, disease control, and proper feeding and management. In addition, Rath heavily promoted the annual Waterloo Meat Animal Show, which also encouraged livestock producers to raise leaner meat animals. First held in 1947 and operated by the Livestock Service Department, the animal show was an investment in the company's bottom line.⁴⁶

Rath traditionally retailed its products through butcher shops and independent grocers, and this practice continued throughout the 1950s. At the same time, large supermarket chains began to capture market share in urban areas. The company would later be faulted for not following this market trend quickly enough, but at the time, it sought instead to build sales and hold profits through marketing to hotels, restaurants, hospitals, and other institutions. In 1963, it established a Food Service Division to handle this program. Rath also continued to broaden sales of profit-making processed meats, adding ten new products in 1963 alone.⁴⁷

When Rath celebrated its 75th anniversary in 1966, the company boasted that it was producing more than 1,000 meat items, plus animal and poultry feeds, protein products, and shortening. At the same time, out of the public eye, the company was reorganizing and cutting costs wherever it could. Although Rath continued to introduce new products in the 1970s, chaotic industry conditions, increasing financial difficulty, and corporate turnover eventually eclipsed product development and marketing. The last truck of Rath meat products left the plant on January 8, 1985. Three months later, on April 1, John Morrell Co. purchased Rath's trademark.⁴⁸

Command Central: The Rath Administration Building, 1925 (additions 1940, 1950-1952)

In 1891, Rath's business office consisted of a stand-up accountant's table, one desk, and two chairs. Not until 1917 did the company erect its first office building, a one-story structure within the plant complex. By 1925, however, a small clerical staff had grown to a diversified home office force of 150, necessitating much larger quarters. A new building was sited across Sycamore Street, separate from the plant, now sprawling beyond the original eight-acre site, yet conveniently adjacent to it. The 1917 building was refitted as a dining room for plant workers.⁴⁹

Designed by plant engineer J. S. Bartley, the Gothic Revival-inspired Administration Building on Sycamore Street was completely fireproof: reinforced concrete walls were clad with a brick veneer and dressed with Bedford limestone trim. The main entry opened to a marble hallway that led to a front lobby with a built-in information desk and glass cases displaying labeled products. Cashiers' cages lined one side of the lobby, and, on the other, visitors assembled in a reception room for guided tours of the plant. Sales and executive offices occupied the rest of the first floor. Accounting, credit, and sales analysis departments occupied the second floor, which also included a "ladies' clubroom," a salesmen's conference room, and the company's telephone exchange. Oversized windows flooded both floors with natural light. The lower level, a raised basement also fitted with ample windows, held stockrooms, an employee check-in room, and a cafeteria. Constructed at a cost of \$125,000, this very modern building included an elevator and acoustic ceilings.⁵⁰

The 1925 Administration Building was Rath's only major structure not designed by Hans Peter Henschien, one of the nation's foremost industrial designers, although he designed the 1940 east wing, matching the design and construction of the original structure. By then, the administrative staff had grown to about 450 employees. The east wing expanded the number of executive offices, conference rooms, and general office space on the first and second floors. On the lower level, the cafeteria was enlarged and remodeled. The 1940 expansion also included installation of air-conditioning.⁵¹ Henschien designed

the west wing, too, which linked the original building to a former neighborhood grocery store. Construction of this wing began in October 1950 and was completed sometime in 1952.⁵²

Construction of the 1925 Administration Building coincided with and came to symbolize Rath's emergence as a major player in the meatpacking industry. Historically, it also stands as testament to J.W. Rath's management style. The Rath Packing Company represented his life's work, but when he died in December 1951, shortly before the second addition was completed, the management style he cultivated survived him. His grandson, John D. Donnell, who served as Rath's house counsel from 1948 to 1962, cited centralized control as a contributing factor in Rath's eventual failure. As company presidents, "both J.W. [1898-1943] and R.A. [1943-1956] were 'hands-on managers,' and having grown with the business, they were able to make this style of management work." Even so, "the across-thestreet location [of the Administration Building] from the huge plant permitted it to continue too long."53

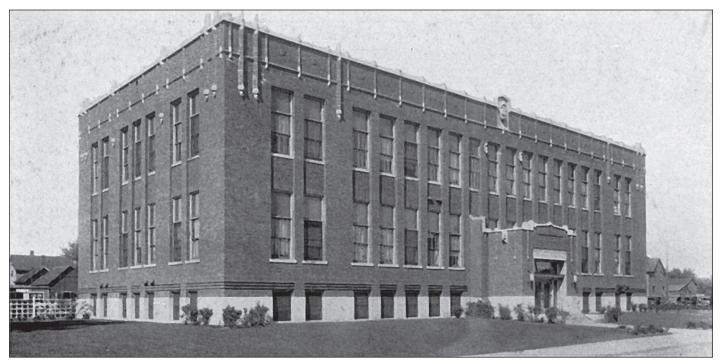
Donnell remembers his grandfather as "an intelligent man who was a good listener. He had a warm personality and got along well with almost everyone – from hog butcher to CEOs of large corporations. He knew the business thoroughly, including plant operations, and he continued to tour the plant fairly frequently until he was unable physically to do so." As

business manager from the beginning in 1891, J.W. had been the one to build and maintain relationships with bankers and investors, and after E.F. Rath died in 1930, leaving J.W. at the helm, he "made the final decision on matters he felt to be important."⁵⁴

Something of J.W.'s management style – "hands-on" and "very conservative" – can be gleaned from a speech prepared for a company spokesman in the 1930s:

Other packers may speculate in various ways, but The Rath Packing Company does not speculate, at any time. . . . Livestock is slaughtered every working day throughout the year and the products are sold on the day's market. The product is not stored in anticipation of an advance in the market. . . . Consequently, every attempt to speculate is discouraged, and a conservative policy is pursued. This accounts for the fact that the firm has always paid dividends on their stock, with three exceptions. . . . The building program [too] has always been on a "pay-as-you-go" basis, without taking undue chances or speculating on the future. 55

Related to J.W.'s hands-on, centralized management style was his conviction that family members had a right to hold management positions. Thus, decision-making tended to become a family affair, making it difficult to break away from established patterns to engage in strategic planning, including planning for management succession. Rath remained a family-controlled company until 1960, even though the family ceased to own a majority of stock when the company went public in 1929.



The Rath Administration Building, c. 1925.

lowa State University Library, Special Collections

In 1943, Rath formed an executive committee, at which time J.W. stepped aside as president to chair the committee. From this position, he shared control with R.A. (Reuben) Rath, E.F.'s son, who succeeded him as president. John Donnell remembers R.A. as "an outstanding personal salesman and a demanding boss, and the one who more than anyone else insisted on high quality."56 In 1950, with J.W.'s health failing, the company reorganized again. At that time, R.A. moved over to chair the executive committee, and Howard Rath, J.W.'s son, became president, with A.D. Donnell, J.W.'s son-in-law and John Donnell's father, as executive vice president. When R.A. died in 1956, Donnell took over as president, and Howard moved to board chair. In 1960, when A.D. stepped down as president, he was replaced by Joe Gibson, the first nonfamily person to head the company.⁵⁷

John Donnell, who was in the line of succession, left his position as house counsel in 1962 believing that family members were being given top positions with invented titles and few responsibilities that would prepare them for managing a large, complex corporation. So Consequently, the gap between management and labor widened at the same time the company was at its pinnacle and the union was reaching peak strength. Additionally, R.A.'s premature death in 1956, along with the deaths of

two other strong leaders in the mid 1950s, dealt a severe blow to the management force. The board of directors, traditionally a rubber-stamp entity, began to assert more authority in the early 1960s, but, having not been involved in decision-making, was unable to create any executive team that could do more than stabilize the company for short periods of time.⁵⁹ Similarly, when Rath became an employee-owned company in 1980, the adversarial relationship between management and labor ran deep. By then, Rath's financial position was so precarious that the company could not withstand the length of time it was taking for labor and management to learn a new way of doing business together. Had the company been able to regain profitability and shed its debt in the 1980s, it remains an open question whether Rath could have successfully challenged the restructuring of capital and labor initiated by Iowa Beef Packers in the 1960s and by then well advanced in the meatpacking industry as a whole.

The Rath Packing Co. left Waterloo piece by piece on November 11, 1985. Beginning at 9:00 a.m. that Monday morning, the "largest facility of its kind in the world" was sold at auction – nearly 75 acres of land and 2,013,490 square feet of buildings and improvements.⁶⁰



Rath's Board of Directors, 1941: *Left to right*: B.F. Swisher, Ray S. Paul, Ray Brecunier, George E. Rath, John W. Rath, Rath, Howard H. Rath, James M. Graham, and A.D. Donnell.

Note on Sources and Recommended Reading

There is no comprehensive history of The Rath Packing Co., but the archival record is substantial. Company records are located at Iowa State University (ISU), although the collection contains little on the 1920s and almost nothing concerning the period 1891-1920. Smaller collections, including photographs, are located at the Grout Museum of History and Science in Waterloo and the State Historical Society of Iowa (SHSI) in Iowa City. SHSI-IC also holds the Iowa Labor History Project Collection (ILHP), which contains transcripts of interviews with several former Rath employees and members of Local 46.

The architectural history of the plant is documented in the Historic American Engineering Record, Library of Congress, with records available online.

Labor history pertaining to the meatpacking industry in general and Rath in particular is quite rich, as reflected in the titles listed below.

Scholars have addressed race and gender issues among packinghouse workers, and the 1948 strike at Rath is well covered.

John Donnell provides valuable insight into the dynamics of company management from the 1930s to the late 1970s in his analysis of why Rath failed.

The Rath employee-ownership experiment also has received scholarly attention resulting in a number of unpublished reports and theses.

Rath's product line, research and development, and marketing strategies are amply documented in company records at ISU and remain rich subjects for scholarly study.

- Beener, Robert Harry. "The Implications of the Sex Discrimination Provisions of the Civil Rights Act of 1964 upon Seniority at the Rath Packing Company, Waterloo, Iowa." M.A. thesis, University of Northern Iowa, 1967.
- Daly, Sister John Marie, R.S.M. "History of Unionization in Waterloo, Iowa." M.A. thesis, Creighton University, 1962.

- Donnell, John D. *Why The Rath Packing Company Failed*. Waterloo: Grout Museum of History and Science, 1993.
- Eldridge, Mary Beth. *The Rath Packing Company Strike* of 1948. Waterloo: privately printed, c. 1990.
- Fehn, Bruce. "The Only Hope We Had': United Packinghouse Workers Local 46 and the Struggle for Racial Equality in Waterloo, Iowa, 1948-1960." *Annals of Iowa* 54 (Summer 1995): 185-216.
- _____. "Ruin or Renewal: The United
 Packinghouse Workers of America and the
 1948 Meatpacking Strike in Iowa." *Annals*of Iowa 56 (Fall 1997): 349-378 [reprinted
 in Stromquist and Bergman, *Unionizing the*Jungles].
- Fink, Deborah. "What Kind of Woman Would Work in Meatpacking, Anyway? World War II and the Road to Fair Employment." *Great Plains Research* 5 (Fall 1995): 241-262.
- ______. Cutting into the Meatpacking
 Line: Workers and Change in the Rural
 Midwest. Raleigh: University of North
 Carolina Press, 1998.
- Hammer, Tove Helland, Christopher Meek, Robert N. Stern, William Foote Whyte, and Warner Woodworth. *The Struggle to Save Rath Packing Company: Employee Ownership and Union-Management Cooperation*. New York: Cornell University, New Systems of Work and Participation Program, 1984.
- Horowitz, Roger. "Negro and White, Unite and Fight!"

 A Social History of Industrial Unionism in

 Meatpacking, 1930-90. Urbana and Chicago:
 University of Illinois Press, 1997.
- Lauber, John F., and Jeffrey A. Hess. *The Rath Packing Company*. Historic American Engineering Record (HAER No. IA-41), February 1993. Library of Congress, online at http://lcweb2.locgov/ammem/collections/habs haer/.

- Lauria, Mickey. The Transformation of Local Politics: Manufacturing Plant Closures and Governing Coalition Fragmentation.
 Working Paper No. 19. New Orleans:
 College of Urban and Public Affairs,
 University of New Orleans, 1993.
- McCarty, H.H., and C.W. Thompson. *Meat Packing in Iowa*. Iowa Studies in Business, No. XII. Iowa City: State University of Iowa, College of Commerce, June 1933.
- Neymeyer, Robert. "May Harmony Prevail: The Early History of Black Waterloo." *Palimpsest* 61 (May/June 1980): 80-91.
- Portz, John. *The Politics of Plant Closings*. Lawrence: University Press of Kansas, 1990.
- Skaggs, Jimmy. *Prime Cut: Livestock Raising and Meatpacking in the United States, 1607-1983*. College Station: Texas A&M Press, 1986.
- Squire, Catherine Alison. "Transforming People and an Organization: Transition to Employee Ownership and Democratic Management at The Rath Packing Company, 1979-1982." M.S. thesis, Cornell University, 1989.

- Stromquist, Shelton. *Solidarity & Survival: An Oral History of Iowa Labor in the Twentieth Century*. Iowa City: University of Iowa Press, 1993.
- Stromquist, Shelton, and Marvin Bergman, eds. *Unionizing the Jungles: Labor and Community in the Twentieth-Century Meatpacking Industry*. Iowa City: University of Iowa Press, 1997.
- Stull, Donald D., Michael J. Broadway, and
 David Griffith. *Any Way You Cut It: Meat Processing and Small-Town America*.
 Lawrence: University Press of Kansas, 1995.
- Walsh, Margaret. *The Rise of the Midwestern Meat Packing Industry*. Lexington: University Press of Kentucky, 1982.
- Warren, Wilson J. *Tied to the Great Packing Machine: The Midwest and Meatpacking.*Iowa City: University of Iowa Press, 2007.



Rath delivery truck at the Administration Building, c. 1930.

Notes

- Although the Rath brothers named their company The Rath Packing Company, for the sake of stylistic clarity it will be referred to hereafter as Rath Packing Company, or simply Rath.
- Margaret Walsh, The Rise of the Midwestern Meat Packing Industry (Lexington: University Press of Kentucky, 1982), 41, 46-47, 67-68, 70-92; Jimmy Skaggs, Prime Cut: Livestock Raising and Meatpacking in the United States, 1607-1983 (College Station: Texas A&M Press, 1986), Chapters 1-4.
- ³ H. H. McCarty and C.W. Thompson, *Meat Packing in Iowa*, Iowa Studies in Business No. XII (Iowa City: State University of Iowa, College of Commerce, June 1933), 28-41, 51; Lawrence Oakley Cheever, *The House of Morrell* (Cedar Rapids: Torch Press, 1948), see esp. 72-80, 112-116.
- John D. Donnell, Why The Rath Packing Company Failed (Waterloo: Grout Museum of History and Science, 1993), 5-6; "The Rath Packing Company," undated [c. 1937] speech by unnamed company official, Rath Packing Co. Papers, Ms 562, Iowa State University [hereafter RPC-ISU], R 1/1; "The Rath Packing Company Chronology" [hereafter Rath Chronology], unattributed [possibly John Donnell] and undated [c. 1985], Rath Collection, Grout Museum of History and Science, Waterloo [hereafter Rath Collection, Grout].
- ⁵ Rath Chronology; Waterloo Packer: The Story of The Rath Packing Company (Waterloo: The Rath Packing Company, 1941), [2].
- ⁶ Rath Chronology; Donnell, Why Rath Failed, 8-10.
- McCarty and Thompson, Meat Packing in Iowa, 41-43; List of firms in Iowa employing 500 or more persons, Iowa State Bureau of Labor, Des Moines, May 1941; H.H. McCarty, Industrial Migration in the United States, 1914-1927, Iowa Studies in Business, No. VI (Iowa City: State University of Iowa, College of Commerce, March 1930): 36-40; H. H. McCarty, Manufacturing Trends in Iowa, Iowa Studies in Business No. VIII (Iowa City: State University of Iowa, College of Commerce, July 1930), 16-25; "Rath Chronology; Annual Reports, 1936-1939; John F. Lauber and Jeffrey A. Hess, The Rath Packing Company, Historic American Engineering Record Documentation (HAER No. IA-41), February 1993, 24-34 [available online from the Library of Congress Web site].
- ⁸ Waterloo Packer; Rath Chronology.
- What the Press Is Saying about The Rath Packing Company: A Journalistic Report on Rath's Progress on the Occasion of Its 75th Anniversary (Waterloo: Waterloo Industrial Development Association, 1966), quote, 4; Annual Report 1966; Donnell, Why Rath Failed; Skaggs, Prime Cut, 206-207; Lauber and Hess, The Rath Packing Company, 48-51; Fred Kercheval, "Why Rath?" TMs, c. 1985, Rath Collection, Grout.
- The hourly wage of \$.15 is the equivalent of \$3.53 in 2007 dollars using the Consumer Price Index, a composite index that tries to compare the cost of things the average household buys, e.g., housing, utilities, food, transportation, medical services. See Lawrence H. Officer and Samuel H. Williamson, "Purchasing Power of Money in the United States from 1774 to 2007," at www. measuringworth.com, accessed August 15, 2008. Throughout this essay, the 2007 equivalent will appear in brackets following the historic wage rate.
- 11 Rath Chronology.

- Figures from 1936 to 1956 include anywhere from several hundred to nearly 2,000 employees at branch production and distribution centers.
- Rath Chronology; 1981 and 1984 figures come from Kercheval, "Why Rath?" 6-7; 1966 figure comes from Gene Raffensperger, "6,000 Honor 'Friend' with Rath Salute" (*Des Moines Sunday Register*, September 11, 1966), in *What the Press Is Saying about The Rath Packing Company*.
- ¹⁴ Merle Davis interview with Eugene Weems, July 7, 1981 (Iowa Labor History Project, State Historical Society of Iowa [hereafter ILHP], 6; see also Merle Davis interview with Gene Redmon, July 15, 1987 (ILHP).
- Bruce Fehn, "The Only Hope We Had': United Packinghouse Workers Local 46 and the Struggle for Racial Equality in Waterloo, Iowa, 1948-1960," *Annals of Iowa* 54 (Summer 1995): 192, 201-203; Deborah Fink, "What Kind of Woman Would Work in Meatpacking, Anyway? World War II and the Road to Fair Employment," *Great Plains Research* 5 (Fall 1995): 251, 255; Merle Davis interview with Velma Otterman, June 30, 1981 (ILHP), 7-11.
- Sister John Marie Daly, R.S.M., "History of Unionization in Waterloo, Iowa" (M.A. thesis, Creighton University, 1962), 21-24.
- Quote from Eugene Weems interview, 8; see also Daly, "History of Unionization," 32, 34-37, 39; Velma Otterman interview, 13;
 Paul Kelso interview with Russell Edsill, March 1978 (ILHP), 5-7;
 Gene Redmon interview (1987).
- ¹⁸ Daly, "History of Unionization," 44-46, 54-56, 65-67.
- 19 Kercheval, "Why Rath?" 1.
- ²⁰ Fink, "What Kind of Woman?" 253.
- 21 "New Rath Neon Service Sign," *Land O'Corn News* [The Rath Packing Co. newsletter], vol. 1 (August-September 1944); Annual Report 1945, RPC-ISU, R 1/26.
- ²² Daly, "History of Unionization," 68-70.
- ²³ Eugene Weems interview, 7.
- ²⁴ Daly, "History of Unionization," 88-90.
- ²⁵ The 1948 strike is widely covered in the literature. See Daly, "History of Unionization;" Mary Beth Eldridge, *The Rath Packing Company Strike of 1948* (Waterloo: privately printed, c. 1990); Fehn, "The Only Hope We Had"; Bruce Fehn, "Ruin or Renewal: The United Packinghouse Workers of America and the 1948 Meatpacking Strike in Iowa," *Annals of Iowa 56* (Fall 1997): 349-378; Shelton Stromquist, *Solidarity & Survival: An Oral History of Iowa Labor in the Twentieth Century* (Iowa City: University of Iowa Press, 1993); Shelton Stromquist and Marvin Bergman, eds., *Unionizing the Jungles: Labor and Community in the Twentieth-Century Meatpacking Industry* (Iowa City: University of Iowa Press, 1997).
- ²⁶ James Hamlyn interview (ILHP) quoted in Shelton Stromquist, Solidarity & Survival, 183.
- ²⁷ Fehn, "The Only Hope We Had," 195; Fehn, "Ruin or Renewal," 368-369.
- Wilson J. Warren, Tied to the Great Packing Machine: The Midwest and Meatpacking (Iowa City: University of Iowa Press, 2007), 89.

- ²⁹ Gene Redmon interview (1987), 30; see also Roberta Till-Retz interview with Gene Redmon, May 18, 2000 (ILHP), 9-11; Merle Davis interview with Fred Nolting, July 21, 1981 (ILHP), 21-25.
- 30 The term crops up with regularity in oral histories collected for the Iowa Labor History Project.
- ³¹ Donnell, Why Rath Failed, 40-41 [Table C].
- Fehn, "The Only Hope We Had," 200-205; see also Gene Redmon interview with Anna Mae Weems, February 27, 1997 (ILHP); Paul Kelso interview with Percy Burt, March 31, 1978 (ILHP), 19-24.
- ³³ What the Press Is Saying about The Rath Packing Company, 14.
- ³⁴ Annual Report 1966; What the Press Is Saying about The Rath Packing Company, 5, 8.
- 35 Fred Nolting interview, 33; see also Donnell, Why Rath Failed.
- ³⁶ Donnell, Why Rath Failed, 38-39.
- Tove Helland Hammer, Christopher Meek, Robert N. Stern, William Foote Whyte, and Warner Woodworth, *The Struggle to Save Rath Packing Company: Employee Ownership and Union-Management Cooperation* (New York: Cornell University, New Systems of Work and Participation Program, 1984), quote 3. See also Susan Sklar, "An Experiment in Worker Ownership," *Dissent* (Winter 1982): 61-68; Catherine Alison Squire, "Transforming People and an Organization: Transition to Employee Ownership and Democratic Management at The Rath Packing Company, 1979-1982" (M.S. thesis, Cornell University, 1989).
- 38 "The Rath Packing Company."
- ³⁹ Annual Report 1938, RPC-ISU, R 1/14; "The Rath Packing Company;" Waterloo Packer, passim.
- ⁴⁰ Annual Reports 1945-1958, RPC-ISU, R 1/26-27, 33-34, 38-40, R 2/17.
- 41 "Rath's Marketing Gambit," Tide: The Magazine for Advertising Executives, October 25, 1957, 40, RPC-ISU, R 1/1.
- ⁴² "The Story of Rath's New Label" (typed, bound booklet), n.d. [c. 1948], RPC-ISU, R 1/27.

- 43 "Rath's Marketing Gambit," 40-42.
- ⁴⁴ Annual Report 1958, RPC-ISU, R 2/17.
- ⁴⁵ Annual Reports 1958, 1959, RPC-ISU R 2/17, 2/32; RPC Ads 1959, RPC-ISU, R 2/22; "Rath's Marketing Gambit," 41-42.
- ⁴⁶ Annual Reports 1958, 1959.
- ⁴⁷ Annual Reports, 1950-1965, RPC-ISU, R 1/34, 38-40; R 2/17, 22, 32; R 3/10, 21; R 4/8; R 5/4, 11.
- ⁴⁸ Rath Chronology.
- ⁴⁹ Donnell, Why Rath Failed, 33 (note 2); Rath Chronology.
- 50 "Rath Packing Company Occupies \$125,000 Administration Building Just Completed," *Waterloo Courier*, November 17, 1925.
- 51 "Addition to Administration Building of The Rath Packing Company," TMs dated July 25, 1940, Rath Collection, Grout.
- ⁵² Annual Reports, 1950, 1952; Lauber and Hess, *The Rath Packing Company*, p. 33.
- 53 Donnell, Why Rath Failed, 21.
- 54 Donnell, Why Rath Failed, 8-9.
- 55 "The Rath Packing Company."
- ⁵⁶ Donnell, Why Rath Failed, 9.
- ⁵⁷ Rath Chronology; Donnell, Why Rath Failed, 15-18.
- ⁵⁸ Donnell left his salaried position in 1962 but remained on the board of directors until 1978.
- ⁵⁹ Donnell, Why Rath Failed, 18-21.
- 60 Rath Auction Program, Rath Collection, Grout.



Rath Refrigerator Car, 1950s.



Above: Advertisement demonstrating how to open and close Rath's new "Tux pack," a packaging innovation for sliced bacon in 1958. lowa State University Library, Special Collections. On the Back Cover Above: Undated postcard view of The Rath Packing Company plant. State Historical Society of Iowa-Iowa City. On the Back Cover Below: Rath Black Hawk Tend'r Mild Ham. Advertising detail from The Rath Packing Company Annual Report, 1955. State Historical Society of Iowa-Iowa City.



