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Oral History and Community Memory

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### **The Rise and Fall of the Gorham Empire**

"At the dawn of the twentieth century, the Board of Trade and other boosters of Providence, Rhode Island proclaimed that the city contained the "Five Industrial Wonders of the World" – one of them, the nation's leading producer of silverware, the Gorham Manufacturing Company. How did such a large and important company disappear?

-John K. Towles, "Factory Legislation of Rhode Island,"

While paying for my microfilm printouts at the research desk at the public library, the librarian and I chatted about the decline of Gorham: "Time's have changed," she told me. "When I got married I got fine silver, when my daughter got married she got stainless steel. It's easier - steel you just throw it in the dishwasher. Fine silver you have to polish, and who wants to do that anymore?" I agreed, but pointed out that Gorham wasn't the only factory in RI that downsized in the 80's, fired their American workers and shifted their operations to China. After a brief chat, we concluded that Gorham was both exceptional and ordinary; a unique case and a representative example of the decline of US and RI manufacturing in general. Throughout this paper I'm going to briefly outline the unique reasons Gorham failed (the rising price of silver, the declining markets for finely made handcrafted high end goods) and the ways their failure is representational of larger trends in US manufacturing.

First, the down and dirty on Gorham's different incarnations: Jabez Gorham founded the company in 1831 at 12 Steeple Street, they moved to Adelaide Avenue in 1890 and remained "family-owned" until 1967 when they became a subsidiary of Textron. Textron downsized in 1985, sold the Adelaide property and moved the remaining workers and manufacturing out to Smithfield Rhode Island.<sup>1</sup> They insisted they were going to keep all 635 employees, but by the time put the company on the

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<sup>1</sup>Joselow, Froma, "Gorham to Sell Plant on Adelaide Avenue", *Providence Journal* 30 August 1985.

market in 1987 to pay for the purchase of Ex-Cell-O an aerospace company<sup>2</sup> they had only 360.<sup>3</sup> As Textron emphasized defense contracts they sold or downsized most of their Rhode Island Plants. Brown-Foreman Corp kept Gorham running for a little more than a decade and then closed the Rhode Island plant entirely creating a skeleton factory in New Jersey (which apparently has more business friendly tax laws) and moving their stainless steel production to China. In its heyday Gorham employed nearly 4000 workers, when Brown-Foreman moved out of state they employed only 60 workers.<sup>4</sup> Even though the remaining workers were highly skilled craftsman, they feared that there would be no work for them in Rhode Island once the plant closed for good.

I spent the past week culling through the *Gorham Perspective*, the newsletter produced by the factory for its employees from 1960 to 1987. Nearly every issue begins with a state of the union address from the current president who tries valiantly (in every issue) to put a positive spin on the declining industry and the rapidly shrinking profit margins. There's an underlying note of panic permeating this aggressively cheerful newsletter filled with anecdotes about employees holiday plans and descriptions of the ladies' bowling team. The industry was declining mainly because of two reasons: 1) a cultural shift away from aristocratic taste and gracious living 2) the rising price of silver. The first doesn't bear much discussion: Gorham represented a particular type of old-world aristocratic elegance as evidenced by Robert Moses' decision to exhibit Gorham in the 1964 World's Fair "House of Good Taste".<sup>5</sup> As "taste" changed due to the shifting aesthetics and politics of the 1960's and 70's, Gorham goods became less desirable.<sup>6</sup>

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<sup>2</sup>Joselow, Froma. "With Bostitch Sold and Gorham on the Block, Only Speidel and Headquarters Remain" *Providence Journal* March 8, 1987.

<sup>3</sup>Joselow, Froma. "Textron plans to sell Gorham; probably on market this summer" *Providence Journal* February 11, 1987.

<sup>4</sup>Wyss, Bob. "Age of Silver," *Providence Journal* 7 July 2000.

<sup>5</sup>*The Gorham Perspective* November/December 1961

<sup>6</sup>Gorham tried to find ways their old world aesthetic could fit with the new modern age. For instance the very first issue of the *Gorham Perspective* announced a "New Silver Design for the Nuclear Age." They company was chosen to create a teaset for a nuclear submarine which was imprinted with the atomic symbol.

The second problem is far more complicated and a full discussion of the volatility of the silver market is out of the range of this paper, but I'm going to summarize it the best I can. Essentially Gorham was protected from the volatility in the silver market by the war effort and government fixing. The government purchased surplus silver starting the 30's and sold it to industry at a fixed price. They ran out of this so-called "free silver" in the early sixties and then Gorham was exposed once again to the instability of the market.<sup>7</sup> Once the government was no longer keeping the price low for manufacturing the price immediately began to spike.<sup>8</sup> Gorham had to increase the price of their goods to make up for the increased price of silver, at the same time that there was less interest in society at large for old world elegance. In the same issue of the *Gorham Perspective* we find out both that Gorham has been chosen to exhibit at the world's fair because they "demonstrate the highest standards of taste and utility in American homes" and that "– it is very obvious that sterling products and specifically in this case, sterling flatware, our major profit producer, do not represent a dynamic and growing business."<sup>9</sup> In the yearly reports it becomes clear that silver is not the company's most profitable division even though it's the heart of the company's reputation.

But, as a series of more panicked presidents theorize hopefully in the *Gorham Perspective*, people will still want to purchase Gorham's products because of the quality the brand signifies. This unfortunately was the mid-century bind that Gorham could not quite escape: in order to be profitable and grow they had to create more product and create more markets. But their desirability came from the special, handcrafted, limited edition nature of their product. In the world of the assembly line, Gorham products were valuable precisely because they represented an old world handmade elegance that

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<sup>7</sup> Silver prices would occasionally drop as well. The real problem was there was no longer any government protection from dramatic changes in price caused by speculation. In addition the increased globalization of markets meant Gorham could be undersold by Japanese stainless steel imports.

<sup>8</sup> Hilliard, Henry. "Silver." USGS Mineral Resources Program. United States Geological Survey. Web. <<http://minerals.usgs.gov/minerals/pubs/commodity/silver/880798.pdf>>

<sup>9</sup> *The Gorham Perspective* November/December 1961

rejected mass production. This conflict permeates the pages of the *Gorham Perspective*. The president warns repeatedly that careless work will destroy the factory at the same time that he wrings his hands over lack of production and demand. In the message from President Horton in the *Gorham Perspective* in January 1961, he acknowledges that Gorham faces a particularly difficult challenge: “a market that demands high quality at competitive prices.” The *Gorham Perspective* for the next few years is filled with dire warnings about quality: “competition in this field is greater than it ever has been and all of us at Gorham must be more conscious than ever of the heritage we control and the importance of maintaining the QUALITY[sic] of the products we work on” and reminders that it is “the individual worker [who] controls the quality of the product.” This article in ’62 is followed up by a series of school-marmish lectures about “carelessness”: “We have to remain strong in this area but to do that we must consistently produce merchandise of good quality...we have failed miserably during the last six months...we must all do our jobs a little better.”<sup>10</sup> Reading through the lines it’s clear that Gorham is having a hard time making this transition and producing high volume products that reflect individual craftsmanship.

Although there’s some debate over this, it seems that the Gorham brand name began to suffer after Textron took over in 1967. A former sand bobber at the factory, Tom McGrath, makes this claim to journalist Bob Wyss in the Providence Journal in 2002: “But after the company was sold, first to Textron and later to Brown-Foreman Corp., the work, the work force and the quality of the work, all fell...’They downgraded and downsized so much, after a while they didn't even know what they were doing anymore.’<sup>11</sup> Whether or not the quality of the work actually declined is unclear, but it is clear that as Gorham transitioned from a “family-owned” business to a division of Textron their public perception to some degree shifted. Being a subsidiary of a major corporate conglomerate known for defense contracting didn’t aid the reputation of an organization associated with old world simplicity and elegance.

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<sup>10</sup> *Gorham Perspective*, Spring 1965.

<sup>11</sup> Wyss, Bob. *Age of Silver*, Providence Journal 7/07/2000

Although Gorham's product was exceptional, the chronology of the factory's disappearance is actually fairly standard. The *Gorham Perspective* in the early sixties indicates that the company (like many others at the time) was trying to survive through diversification. Gorham Manufacturing changed its name to Gorham Corporation in the Spring of 1961 because it better reflected their "recent acquisitions": Pickard & Burns and Easton Paper company.<sup>12</sup> They would continue to diversify, creating a fairly profitable electronics division that actually won a few contracts from Raytheon in the early sixties. The presidential updates in the *Gorham Perspective* report that those new divisions were in fact more profitable than "Old Gorham," the silver and bronze divisions.<sup>13</sup> Failing successful diversification they made a deal with Textron in '67, a massive conglomerate, and became a subsidiary of this corporation for nearly 20 years. Textron shifted from manufacturing to defense contracting in the eighties and eventually sold the company in order to offset the debt they'd acquired when they purchased Ex-Cell-O.<sup>14</sup> Textron, like many US corporations in the eighties, shifted away from domestic production of consumer goods and invested in the defense industry. Gorham switched hands rapidly and eventually was owned by Brown and Co., who shifted almost entirely from silver and bronze work (which required skilled craftsmen) to stainless steel, which could be mass-produced. In the nineties, Brown and Co., riding the wave of free trade legislation, closed down their US plant, fired their workers, and opened up a factory in China. This is a very familiar story – skilled craftsman becoming obsolete through mechanization and mass production, and US companies shifting their production to the unregulated 3<sup>rd</sup> world so that they could profit margins. Gorham is in some ways a particular painful version of this story because their original projects were so distinctive and beautiful, such a clear and concrete representation of a particular kind of dying craft.

My original assignment was to describe how one of the "5 Industrial Wonders of the World" disappeared. I think it's important to deconstruct some of the romantic

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<sup>12</sup> *Gorham Perspective*, May/June 1961

<sup>13</sup> *Gorham Perspective*, Spring 1965

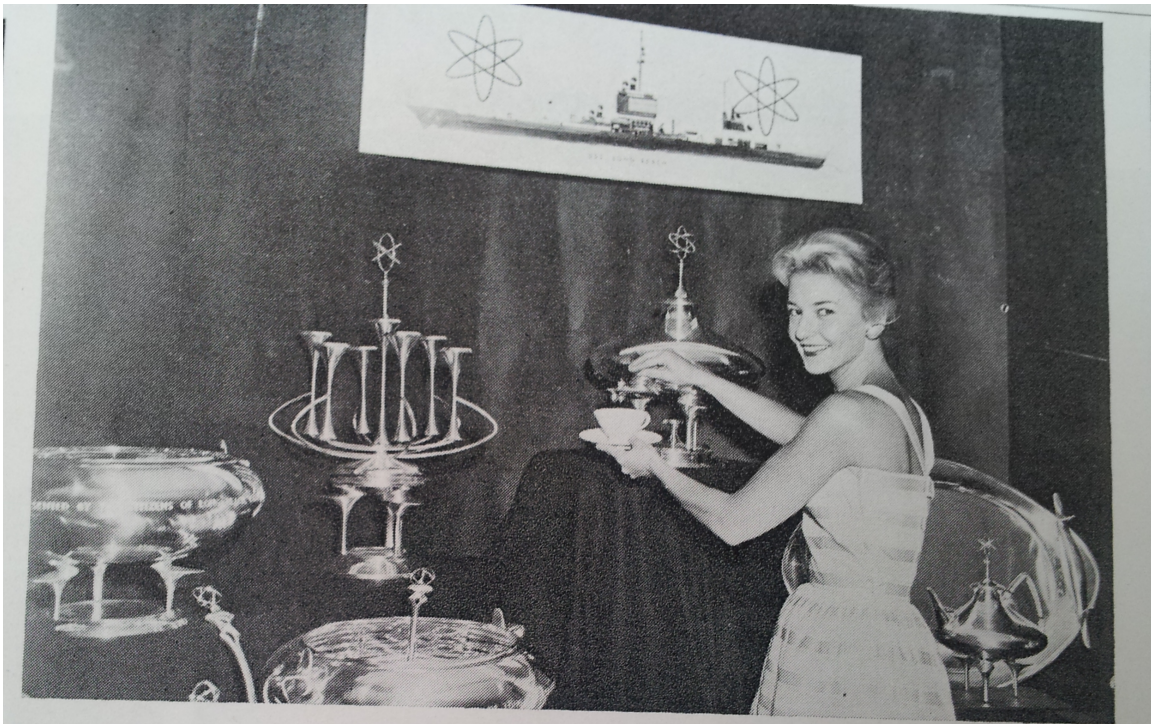
<sup>14</sup> Joselow, Froma *Providence Journal* March 8, 1987

language within this description of the factory as we approach oral history interviews. The history of Gorham Manufacturing is tinged with rose-colored nostalgia and it's important to remember that it's not necessarily nostalgia about the factory itself (the work was hard and dirty and often dangerous), but rather about the lifestyle it represented and the standard of living it provided. In the 50's it was possible to work at Gorham your entire life, climb the ladder to some degree, purchase a house in the Reservoir Triangle neighborhood and send your kid to college. The nostalgia about Gorham is nostalgia about a time when skilled labor could provide you with a middle class existence and when organized labor ensured it. The *Gorham Perspective* reveals the way the company embodied what historian Lisabeth Cohen refers to as "welfare capitalism," a corporate strategy of industrial paternalism that provided workers with benefits and incentives in exchange for loyalty. This strategy provided the "good life" that workers remember and that's documented enthusiastically in the *Perspective*: the company picnics, the bowling alley in the basement, the softball teams and fishing contests. But while *The Perspective* is reporting on company picnics, other sources reveal a great deal of labor unrest within the factory itself. Gorham had a 6-week strike in 1958 (when it was still a "family" owned business), another strike in '68 and a 6-month strike in '77. The company strategically tried to communicate the message that "we're all in this together," but there were a number of times over the course of the 20<sup>th</sup> century when the workers decidedly disagreed. In the Summer of 1960 President Norton, in the thick of labor negotiations with the Steelworker's Union, writes in the *Gorham Perspective*, "it is our determination that, from the results of our combined future efforts, gains will be forthcoming for all Gorham people, and their families, our shareholders, and our customers." Although some workers bought into this hegemonic narrative, the multiple strikes reveal that other workers did not buy the idea that labor and management were "in the same boat." When we do our interviews it's important to try and get beyond the picnics and parties presented in *The Daily Perspective*, and through deep listening and questioning elicit the more complicated and conflicted stories.

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And just for fun! A gem from the *Gorham Perspective*



## Gorham Supplies Sterling Service For America's First Atomic Cruiser

Over a year in development, a notable example of contemporary silver-smithing has been completed by The

Gorham Company for America's first atomic cruiser, the U.S.S. LONG BEACH.