Robert Welch: An Americanist Entrepreneur

In 1914, when the Old World was at war, the New, unaware of the designs of its political and financial leaders, expected to stay out of the latest European upheaval. American public opinion was firmly opposed to violating in any way our neutral posture, which meant that America's young men were still graduating from high school, going to college, and finding gainful employment. One such crop of optimistic youth was enduring a philosophy class at the University of North Carolina, an exercise in sophistry taught by the venerable but insufferable Horace Williams. Professor Williams' class, we may imagine, was typical for the time: a couple dozen well-groomed young men and a few young women sitting at buckling wooden desks made in the previous century, trying to grasp the contradictory axioms imparted by the tweedy, subversive Williams.

There was, however, one notable feature of that particular class that was in no wise typical of the university, then or now: a restless, energetic boy of 13 who made no attempt to conceal his impatience with Professor Williams and the class' subject matter. Seemingly oblivious of how conspicuous he was among his classmates — he was a head shorter and a half-decade younger, and his boyish voice had yet to deepen — the lad took a schoolboy's delight in twitting the pretentious professor, openly challenging his claims and ridiculing his behavior to his more reserved classmates.

One memorable day, after Professor Williams explained that three times three could be made to equal any amount we wish, inasmuch as numbers are merely mental conventions, the boy wrote "H-O-G-W-A-S-H" in large block letters on his notepad. As he showed it to students in his vicinity, the professor — sharp-eyed if not sharp-witted — spotted the critique and reprimanded the boy severely. After that, the boy often skipped class, choosing to play chess and engage in other more useful pursuits. He earned his lowest grade in that class, a fact that he never failed to recall with pride in later years. "I was," he recalled decades later, "the most insufferable little squirt that ever tried to associate with his elders (and the worst of it is, I'm not kidding)." Even in his early years, young Robert Welch, future entrepreneur and founder of The John Birch Society, was already instinctively a non-conformist.

In those days, of course, what is now called "postmodern thinking" (an oxymoron if there ever was one) was only in vogue in academic enclaves like the University of North Carolina. Outside the ivory tower, America remained largely a nation of small towns and farms, with small-town and agrarian values to match. Robert Welch, born in December of 1899, grew up on one such farm, a 525-acre spread in rural Perquimans County, North Carolina, the oldest of six children. His mother, a schoolteacher, soon

recognized that her firstborn son had unusual gifts that needed special attention. Lina Welch tutored her son Robert for all but one of his grade-school years, and the precocious boy learned at a pace far beyond that of his peers. During the summer of his seventh year, for example, he read all nine volumes of John Clark Ridpath's *History of the World*, an extraordinary undertaking for a reader of any age, let alone a boy the age of a second grader.

His five younger siblings, fortunately, were tolerant of his stature as the family genius. His mother spent inordinate time tutoring him, and young Robert was excused from performing chores so he could have more time to read.

By the time he was 12, Robert Welch was ready for college. His four years as the youngest student ever to enroll at the University of North Carolina were satisfying, serving to stimulate rather than quench his thirst for learning. He studied languages — French, German, and Latin — along with higher mathematics (differential equations became a lifelong preoccupation), history, literature, and, of course, philosophy. He developed a romantic's love for fine poetry, memorizing a prodigious amount and even authoring some of his own. He harbored heady hopes of a life in academia, imagining himself amid ranges of the world's best books, scouring through dusty pages in search of tidbits of truth.

He had done little except read and learn since early childhood, so it is no surprise that, upon graduating from college in 1916 at the ripe old age of 16, Robert Welch decided to continue his formal education rather than seek employment. In the fall of 1917, as the United States was becoming more involved in the war in Europe, Robert Welch enrolled in the Naval Academy at Annapolis, Maryland.

Young Robert probably sensed before too long that military life was not a good fit for his individualistic personality, but he stayed in Annapolis for two years, adding Spanish to his tally of languages and earning the nickname "Savvy" from his peers, who quickly perceived his unique talents. In the end, however, recognizing that a military career would preclude his ever being able to spend much time satisfying his intellectual curiosity, and that he had no taste for the regimentation required by the military, Robert Welch resigned from the Academy in 1919. The war was over by that time in any event, and the luster of martial adventure had dulled.

Budding Journalist

Finding himself back in North Carolina, Robert Welch decided to embark on a writer's career. He quickly landed work as a locally syndicated columnist, producing for the Norfolk Ledger Dispatch the weekly column "Headline Jingles," a summary of current events written in verse. As Robert explained in the very first edition of "Headline Jingles,"

> No matter what we try to learn
>
> 'Tis easier in verse;
>
> In rhyme we say our baby prayers
>
> And wise old saws rehearse….
>
> Therefore we'll tell each week the news
>
> Of nation, state, and city,
>
> And not because we like the work,
>
> But mostly out of pity;

The ignorance of some of us

Is surely most appalling;

We undertake to educate

Without excessive galling.

While producing, “Headline Jingles,” Robert Welch began publishing a new periodical, The Smile. We may suppose that it was at this juncture that the young man experienced the first stirrings of entrepreneurial spirit: classically educated Robert Welch, child prodigy, polyglot extraordinaire, and (as he supposed) future academic, now threw his heart and soul for the first time into an entirely independent enterprise, one for which he set his own hours and was, as we say nowadays, his own boss. His newfound passion found voice in a poem, “The Voice of Ambition,” that he wrote and published in the very first issue of *The Smile*:

We are born but to die

Is a coward’s cry,

There is fame for those who want it;

At the end of the race

There’s an honored place

For those who run the gauntlet.

Though the road is hard,

And the way is barred

By a thousand cares and sorrows,

And it’s toil to-day

For the praise and play

That only comes on morrows.

Yet joy is naught

but a passing thought,

That’s gone and leaves not a trace,

So why shun pain,

When by it you gain

In a fight for an honored place.

Robert Welch’s talents and obvious drive as a writer did not pass unnoticed. He was soon offered a job at the *Raleigh News and Observer*, and accepted it with enthusiasm. But now fickle fate took a hand in what was shaping up as a promising writing career. A friend from Annapolis contacted Robert to tell him about a brand new opportunity for government work, one that would involve traveling aboard merchant marine ships and taking notes, and would involve lots of travel. Robert Welch the adventurer and would-be world traveler decided to seize this new opportunity and applied for the so-called “Super Cargo” program. He was offered employment and given 30 days to report for duty. The excited young man, flush at the prospect of his long-awaited first sea voyage, resigned his column, stopped production

of *The Smile*, and sent the *Raleigh News and Observer* a polite rejection.

A First Stunning Setback

One week before his scheduled departure, with his brand-new suitcase and belongings ready for the adventure, Robert received notification that Congress had just cancelled the entire program.

This, Robert Welch's first major setback, must have been a bitter pill to swallow. Trying to rebuild his budding journalistic career was not to be thought of. For the first time in his life, Robert Welch was at a loss as to what to do.

He counseled long and hard with his father, who told him that, if he was bent on furthering his education, his parents would find the money somehow to help him. It was a generous offer, especially with his younger siblings all needing help for school as well. For Robert Welch, the question of whether to further his education was never in doubt; what gnawed at him was the inescapable reality that a career as a professor of English or literature would never provide him more than the bare necessities, a hard fact that his father took pains to point out. Robert Welch, however, wanted to have the material means to make a difference, something that an academic's salary could never provide. His inner entrepreneur was clamoring for the freedom that only a modicum of wealth could provide.

To Robert Welch, law school seemed to be a way to accommodate both his scholarly temperament and his desire for financial success. He speedily applied to Harvard, whose prestige and location in the heart of the industrial northeast appealed to Robert Welch's ambitious soul. In those days, the process of applying to law and graduate school was considerably less complicated than nowadays; Robert applied to Harvard Law in the summer of 1919 — the same tumultuous few months that saw his star as a journalist rise and set and the promise of world travel dangled and then withdrawn — and was accepted for admission almost immediately. Accordingly, he packed his bags again and set off for Massachusetts, the state where he was to live most of the rest of his life.

The heady atmosphere of Cambridge, Massachusetts — the venerable, ivy-covered buildings, the company of many of the world's best minds, the prestige and tradition of the Ivy League — was soon overshadowed, at least for Robert Welch, by the curriculum at Harvard Law School. Even so many decades ago, long before the cultural revolution of the 1960s made classroom radicalism fashionable, Harvard Law School was already running left-wing indoctrination clinics masquerading as jurisprudence. One such class, taught by the already renowned Felix Frankfurter, future Supreme Court justice and confidant of FDR (it was Frankfurter who later boasted of playing a crucial role in persuading FDR to extend diplomatic recognition to Stalin's Soviet Union), was labor law, in which the Marxist theory of labor, including the assumption of irreconcilable class antagonism between labor and management, took center stage. By this time, Robert Welch had grown beyond scrawling criticisms on note paper, but he chafed under Frankfurter and other radical law professors just the same.

Fortunately, Robert Welch developed a new interest while in law school, a co-ed from nearby Wellesley College named Marian Probert. They got engaged in the summer of 1920, when Robert traveled all the way to Marian's home town of Akron, Ohio, to propose. Robert's family approved wholeheartedly of the union, with only his grandmother teasing him about marrying a Yankee. Marian's parents, on the other hand, were none too impressed with Robert, regarding him as a dreamer rather than a doer.

Robert the Dreamer continued to stew about his mis-education at Harvard Law, enduring a first and then a second year with good grades but a growing conviction that he was no more cut out for the legal profession than he was for the military.

It was in the middle of his third year in law school that his Inner Entrepreneur at last gained the upper hand. Weary of studying ideas that did not square with his commonsense worldview, Robert Welch took pen in hand one night in his apartment on Oxford Street, and decided to figure out once and for all what he was going to do with his professional life. All night long he worked on a plan, listing every possible business endeavor he could think of, and then considering it in light of his particular talents, the state of the competition, and the entry and production costs. Sure that he wanted to make something, he made a list of over 100 products, from cars to shoes, and methodically eliminated most of them.

The Candyman

By dawn, he had whittled the list down to one product he was sure he could manufacture, at relatively low cost, which would satisfy an essentially limitless consumer demand: candy. Candy, after all, cost little to make and was almost universally consumed. In those days, moreover, there was no regulatory red tape or other compliance issue to confront; the would-be entrepreneur had only to raise the necessary capital and hang out a shingle. Robert Welch never attended another class at Harvard Law School.

Before plunging into the candy business, Robert Welch did some market research. There was a small candy store on Harvard Square, owned by one John Gale; it was there that Robert Welch began to acquaint himself with the candy business. For several days, Robert hung around Gale's shop, helping with chores and learning everything he could. He was particularly impressed with a type of fudge that Gale made. One day, he purchased several pieces of it, took it home, cut it into smaller sections, rewrapped it, and had no trouble reselling it to drugstores, where it quickly became a hit, selling at a rate of 10 cents for three squares.

Now confident he had found a product that would move, Robert Welch purchased the recipe for the fudge from Gale for $150. He then rented space in a nearby loft, and purchased a few necessary items to manufacture what he had decided to call "Avalon fudge": a secondhand stove, three copper kettles, a piece of marble on which to make fondant, and some scrap lumber to make tables. He hired a couple of youths to help and named his new concern the Oxford Candy Company. For a capital outlay of less than three hundred dollars, Robert Welch was in the candy business.

At first, the going was very difficult. Debts piled up — to his landlady and father in particular — but Robert persevered. Marian, who was supportive of his abrupt change of plans, graduated from Wellesley that summer — the summer of 1922 — and her parents, probably hoping to discourage her interest in Robert the Candymaker, sent her off to tour Europe.

The ploy did not work. She returned from Europe as interested as ever, and even spent long hours helping Robert at his candy business. In December, they were married; the day after their wedding they spent at the Oxford Candy Company, wrapping fudge.

The first few years were hard, and finances extremely tight. The Oxford Candy Company stubbornly refused to yield anything like a decent profit, and the debts continued to pile up. In the midst of this critical time, Robert and Marian's first child, Robert III, and second, Hillard ("Hid"), were born.

By 1925, Robert Welch's business finally began to show promise. As his network of connections grew, so did sales. He was able, in 1924 and 1925, to rent more space for his business and to acquire some modern equipment, including cooling equipment that would allow him to chocolate-coat Avalon fudge and store it during the hot summer months.

It is difficult for us to imagine a world without refrigeration, but prior to the 1920s, the only

refrigeration available was blocks of ice cut from frozen lakes in the winter and kept in springhouses and cellars. This meant that, during the summer months after the previous winter's ice had melted, ice cream and chocolate candy, among other perishables, were hard to manufacture, let alone store. The invention of modern refrigeration and freezing emancipated man from the tyranny of hot weather, allowing entrepreneurs like Robert Welch to produce their products in defiance of the temperature.

The turning point in Robert Welch's business fortunes was in 1926, when he devised a sort of caramel lollipop (later called the "Sugar Daddy," and still available in some candy stores). Lollipops were one kind of candy that did not melt in the summer heat, and Robert's "lollypoppa," as he initially called it, was similarly resilient. The new product began selling briskly, and Robert Welch's business had finally turned a critical corner — or so it appeared.

Unfortunately, Robert decided to expand his business out of the New England area. He purchased a factory in Chicago, with a view to conquering the Midwest markets with his fudge and his Sugar Daddies.

But the undertaking was a disaster. He soon found that there were simply too many other firms manufacturing five-cent candy bars for him to find a niche in the Midwest. Debts piled up alarmingly, and a humbled Robert was soon obliged to sell his Chicago assets.

But the debacle hit home as well. Hamstrung by debts, Robert reduced his work force and sublet areas of his rental floor space. He was even forced by his creditors into turning his private business into a full-fledged corporation, complete with an outside board of directors and stock issues. His major creditors received shares of preferred stock, and Robert Welch ended up with less than half of the common stock and none of the preferred. Although it would be 15 years before he was able to discharge the debts incurred during this difficult period, Robert Welch had pulled his company back from the brink.

But it was no longer his company. The board of directors, more interested in maximizing short-term profits than in the quality of their product, began pressuring Robert to dilute and cheapen his recipes. This Robert refused to do. The breach between him and the directors widened, until finally Robert offered to turn in all his shares of common stock in return for his discharge as the company's president. The board agreed, and Robert Welch, in June of 1929, resigned from the company he had founded.

Determined to succeed in his chosen field, Robert Welch moved his family down to the New York City area for a fresh start. His former firm in New England had lost interest in the Sugar Daddy, so Robert decided to concentrate on that item alone. Large nearby beach resorts like Coney Island would furnish a big market for his product, he believed.

But his second candy business fared no better than the first, barely allowing the Welch family to eke out a livelihood during the early years of the Depression. Relief came with an offer in 1932 from E. J. Brach and Sons, the world's largest candy manufacturer at the time. They offered to fly him from his Long Island home to Chicago every weekend, in hopes that he could use his connections in the industry to help the candy giant increase sales and streamline distribution. The pay was better than what he had been accustomed to, and for a couple of years, the financial pinch lessened. Before long, he moved his family to Chicago to work for E. J. Brach full time.

But Robert Welch was not constituted to be a cog in the machinery of a giant corporation, and he knew it. In 1934, he resigned from his job at E. J. Brach and moved to Attica, Indiana, where he started a third candy company, the Midwest Candy Company. This venture, too, soon met with failure, no doubt leaving Robert Welch to question whether law, the academy, or the military might have been, after all, a

better choice.

Deliverance this time around came in the person of Robert's younger brother James, whom Robert had brought to Boston years earlier to help with the Oxford Candy Company. When the company went public, James soon departed and, with Robert's encouragement, launched a candy company of his own, the James O. Welch Company. As his more prosaically named venture suggests, James was — by Robert's own admission — a much better businessman, practical, conservative, and down-to-earth. His candy company had succeeded nicely where his more flamboyant older brother had gone from risky venture to risky venture. Now James wanted to expand his business, and he believed his older brother could help him in one critical area where he had always fallen short: sales.

Sales and the Society's Start-up

Chastened by his string of failures, Robert Welch moved back to the Boston area to become sales manager for brother James. It was here that he finally found the lasting success that had eluded him for so long, concentrating on sales while his more hard-headed younger brother focused on production and finance. When Robert started working with James in 1935, the company was moving about $200,000 worth of candy a year. By the mid-1950s, the annual volume had grown to about $20 million, much of the growth due to Robert's indefatigable salesmanship.

As vice president of sales and advertising at the James O. Welch Company, Robert finally achieved the material success that had eluded him for so long. He became well-known in the candy industry, sitting on the board of directors of the National Confectioners Association, and receiving the prestigious "Kettle Award" from the magazine *Candy Industry*. He also served seven years on the board of directors of the National Association of Manufacturers, a position that gave him many valuable friends and contacts in the endeavor that would prove to be his real life's work, the founding and building up of the patriotic organization, The John Birch Society.

It is not really surprising that Robert Welch found his true calling in later life, in the cause of preserving freedom. Despite his yearning to be a successful entrepreneur and his impressive capacity for hard work, he had always remained at heart the same romantic and idealist who as a young man had composed poetry, learned languages ancient and modern, and availed himself of the best liberal education then to be had. Even *Candy Industry* had observed, in an article anointing Robert "Candy Man of the Month" in 1956, that he was "the kind of energetic guy who, if he were born 180 years ago, would have been one of the signers of the Declaration of Independence." It was that energy, coupled with Robert Welch's constant drive to become more educated, that led him at length to the conclusion that the United States of America was under attack by a malignant, well-organized, conspiratorial foe, whose aim was nothing less than the complete eradication of American culture, economic prosperity, and political liberty.

When Robert Welch, together with a number of close associates, founded The John Birch Society in December 1958, he brought with him all the lessons learned from decades as a risk-taker and businessman, the ups and downs, the successes, and, perhaps more importantly, the failures. It was, after all, the latter that had helped him to understand clearly who he was and who he was not. Idealist and romantic that he remained, it was as an entrepreneur of patriotism that he was to leave a lasting mark. As he had written at the age of 20:

> If, fifty years from now, when I survey
>
> The scanty roll of things that I have done,

I find a score of visions unfulfilled

And victories I dreamed of still unwon,

I'll doubtless see mistakes that I have made

And places where I lost because I picked

the losing side

But not a failure shall I find

In the trail I've left behind,

Where I might have won but didn't, just because I never tried.

Photo: Robert Welch