FRAYING FABRIC: TEXTILE LABOR, TRADE POLITICS, AND DEINDUSTRIALIZATION, 1933-1974

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By

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AND DEINDUSTRIALIZATION, 1933-1974

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ABSTRACT

This dissertation documents the troubled origins of U.S. labor’s resistance to trade liberalization and illuminates the role trade policies played in the demise of the New Deal Order. It describes how actions taken by business, labor, and government contributed to the decline of the nation’s textile industry in the mid-twentieth century, and it demonstrates that a process of deindustrialization was underway long before that term and the condition it described reached the national consciousness. It argues that the disappearance of textile jobs was accelerated by the unraveling of two once-intertwined legacies of the New Deal: its commitment to an expanding international economy through trade liberalization and its effort to improve workers’ lives through workplace regulation, social insurance, and collective bargaining. Between the 1930s and the 1970s, the New Deal’s trade liberalization policies expanded into a full-blown trade liberalization program, even as the impact of the New Deal’s policies promising worker security and empowerment waned. Increased trade liberalization combined with weak protection of workers’ rights produced particularly dire results in the nation’s textile industry, especially in its crucial southern sector. Employer resistance and weak government protection of workers’ rights doomed union organization in southern mills and prevented the development an organized textile workers’ voice capable of challenging trade policies that would ultimately lead to plant closings. Without a strong union in
textiles, the first leading U.S. manufacturing industry adversely affected by imports, organized labor lacked a potent internal voice critical of trade policies that advanced Cold War foreign policy objectives at the expense of U.S. workers’ jobs. Without a strong textile workers’ voice, the AFL-CIO continued to support trade liberalization through the 1960s even as textile jobs began to disappear. By the time organized labor belatedly curtailed its support of trade liberalization in the Nixon years, the stage for the collapse of the U.S. textile industry was set and the process was in motion. That collapse, and its devastating impact on workers in turn, accelerated the demise of the New Deal Order.
Writing a dissertation is a solo effort bolstered by a large supporting cast. My cast aided in countless ways over the years it took to produce this dissertation. I thank everyone – family, professors, colleagues, friends, librarians, archivists, and foundations – for the emotional, technical, and financial assistance you provided along the way. I also remember the relatives, close friends, and acquaintances who were here when I began but did not live to see the results of the past years of effort, which are contained in the following pages. I will always appreciate – and never forget – your love, kindness, and support.

Many thanks,

JAMES C. BENTON
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<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AAA</td>
<td>Agricultural Adjustment Administration</td>
</tr>
<tr>
<td>ACMA</td>
<td>American Cotton Manufacturers’ Association (1903-1949)</td>
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<td>ACMI</td>
<td>American Cotton Manufacturers’ Institute (1949-1962)</td>
</tr>
<tr>
<td>ACTWU</td>
<td>Amalgamated Clothing and Textile Workers Union</td>
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<tr>
<td>ACWA</td>
<td>Amalgamated Clothing Workers of America</td>
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<tr>
<td>AFL</td>
<td>American Federation of Labor</td>
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<tr>
<td>ARA</td>
<td>Area Redevelopment Act of 1961</td>
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<tr>
<td>ATC</td>
<td>World Trade Organization Agreement on Textiles and Clothing</td>
</tr>
<tr>
<td>BLS</td>
<td>Bureau of Labor Statistics, United States Department of Labor</td>
</tr>
<tr>
<td>CAFTA</td>
<td>Central American Free Trade Association</td>
</tr>
<tr>
<td>CCC</td>
<td>Commodity Credit Corporation</td>
</tr>
<tr>
<td>CIO</td>
<td>Committee for Industrial Organization (1935-1938); Congress of Industrial Organizations (1938-present)</td>
</tr>
<tr>
<td>CRI</td>
<td>Committee for Reciprocity Information</td>
</tr>
<tr>
<td>CTI</td>
<td>Cotton-Textile Institute</td>
</tr>
<tr>
<td>ECA</td>
<td>Economic Cooperation Administration</td>
</tr>
<tr>
<td>ECAT</td>
<td>Emergency Committee for American Trade</td>
</tr>
<tr>
<td>EEC</td>
<td>European Economic Community</td>
</tr>
<tr>
<td>EFTA</td>
<td>European Free Trade Association</td>
</tr>
<tr>
<td>ERISA</td>
<td>Employee Retirement Income Security Act of 1974</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FFACT</td>
<td>Fiber, Fabric, and Apparel Coalition for Trade</td>
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<tr>
<td>FLSA</td>
<td>Fair Labor Standards Act of 1938</td>
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<tr>
<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
</tr>
<tr>
<td>IAM</td>
<td>International Association of Machinists</td>
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<tr>
<td>IBT</td>
<td>International Brotherhood of Teamsters</td>
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<tr>
<td>ILGWU</td>
<td>International Ladies’ Garment Workers’ Union</td>
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<tr>
<td>ITAC</td>
<td>Inter-Agency Textile Administrative Committee</td>
</tr>
<tr>
<td>ITC</td>
<td>United States International Trade Commission</td>
</tr>
<tr>
<td>ITGWF</td>
<td>International Textile and Garment Workers Federation</td>
</tr>
<tr>
<td>IWSG</td>
<td>International Wool Study Group</td>
</tr>
<tr>
<td>JFTW</td>
<td>Japanese Federation of Textile Workers</td>
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<tr>
<td>LAFTA</td>
<td>Latin American Free Trade Association</td>
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<tr>
<td>LTA</td>
<td>Long-Term Arrangement Governing Trade in Cotton Textiles</td>
</tr>
<tr>
<td>MFA</td>
<td>Multifiber Arrangement</td>
</tr>
<tr>
<td>MFN</td>
<td>Most Favored Nation</td>
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<tr>
<td>MITI</td>
<td>Japanese Ministry of International Trade and Industry</td>
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<tr>
<td>NEP</td>
<td>New Economic Plan</td>
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<tr>
<td>MSA</td>
<td>Mutual Security Agency</td>
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<tr>
<td>NAFTA</td>
<td>North American Free Trade Agreement</td>
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<tr>
<td>NCF</td>
<td>National Civic Federation</td>
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<tr>
<td>NIRA</td>
<td>National Industrial Recovery Act of 1933</td>
</tr>
<tr>
<td>NLRA</td>
<td>National Labor Relations Act of 1935</td>
</tr>
<tr>
<td>NLRB</td>
<td>National Labor Relations Board</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>NRA</td>
<td>National Recovery Administration</td>
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<tr>
<td>OECD</td>
<td>Organization for Economic Co-Operation and Development</td>
</tr>
<tr>
<td>RTAA</td>
<td>Reciprocal Trade Agreements Act of 1934</td>
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<tr>
<td>RTAP</td>
<td>Reciprocal Trade Agreements Program</td>
</tr>
<tr>
<td>STA</td>
<td>Short-Term Arrangement Governing Trade in Cotton Textiles</td>
</tr>
<tr>
<td>SWOC</td>
<td>Steel Workers Organizing Committee</td>
</tr>
<tr>
<td>SYE</td>
<td>Square Yards Equivalent</td>
</tr>
<tr>
<td>TAA</td>
<td>Trade Adjustment Assistance</td>
</tr>
<tr>
<td>TC</td>
<td>United States Tariff Commission</td>
</tr>
<tr>
<td>TEA</td>
<td>Trade Expansion Act of 1962</td>
</tr>
<tr>
<td>TLRB</td>
<td>Textile Labor Relations Board</td>
</tr>
<tr>
<td>TWOC</td>
<td>Textile Workers Organizing Committee</td>
</tr>
<tr>
<td>TWUA</td>
<td>Textile Workers Union of America</td>
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<tr>
<td>UAW</td>
<td>United Auto Workers</td>
</tr>
<tr>
<td>UMWA</td>
<td>United Mine Workers of America</td>
</tr>
<tr>
<td>UNITE</td>
<td>Union of Needletrades, Industrial, and Textile Employees</td>
</tr>
<tr>
<td>USWA</td>
<td>United Steelworkers of America</td>
</tr>
<tr>
<td>UTWA</td>
<td>United Textile Workers of America</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organization</td>
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INTRODUCTION
Assessing the Ruins

The darkness of a warm October night smoothed out the rough edges of the Virginia landscape passing outside my window aboard Amtrak’s Crescent as the train eased its way south toward its final destination at New Orleans. I was on a trip to Georgia State University to begin my initial dissertation research. To busy people seeking to economize their time, a 13-hour trip between Washington, D.C., and Atlanta would appear a bit extravagant when 90-minute flights are available between the two cities. But I had chosen to travel in this manner to remind myself of the industry and the workers at the heart of my research.

Overnight, in a stretch between Southside Virginia and Birmingham, the Crescent, a descendant of the old Southern Railway’s passenger service, passes through cities and mill towns that were synonymous with the southern U.S. branch of the textile industry. First came Altavista, then Danville, once home to the Dan River mills and the scene of a disastrous 1951 strike that effectively ended large-scale textile organizing efforts in the South. Forty-five minutes south and across the North Carolina line lay Greensboro, where Cone Mills and Burlington Industries together once employed thousands of workers. An hour later, tracing the Interstate 85 corridor now known for industrial transplants such as Midwestern tire companies and German auto manufacturers, we moved through the heart of the old Cannon Mills empire. In Kannapolis, the train glided a stone’s throw from a biotechnology research center occupying the very site where, a decade earlier, stood the headquarters of a company that once manufactured sheets and towels for households worldwide. Then, in a rush,
came Charlotte, the former textile center that reinvented itself around banking and stock-car racing; Gastonia, where workers’ participation in the Loray Mill strike of 1929 and the General Strike of 1934 inspired workers elsewhere seeking to unionize even as each strike failed to establish unions more deeply in the southern textile industry; and the twin manufacturing cities of Greenville and Spartanburg, South Carolina, now examples of the direct foreign investment that marks much of the New South. Finally, just after dawn, came Atlanta, the region’s longtime commercial capital.

Each of these cities along the route, as well as numerous others, had been affected by the decline and collapse of the U.S. textile industry in the decades since the 1970s. As the train made its way south, I wondered how these and other communities had fared with the industry’s decline. Did they diversify their economies? Were there untold thousands of residents now forced to get by without sufficient education or training for new jobs? Were cities forced into a decline by the shrinkage or loss of the industry they had counted on for so many years? Did their paths mirror the struggles of New England cities like Manchester, Lowell and Lawrence, Fall River and New Bedford, Providence and Pawtucket, which saw their textile industries decline and then move away decades before the pattern repeated itself in the South? Were there lessons to be learned from the decline and collapse of the U.S. textile industry in the middle decades of the twentieth century?

This dissertation describes how two divergent legacies of Franklin D. Roosevelt’s New Deal played out across the nation, resulting in the transformed industrial landscape of the southern Piedmont that I viewed from my train
window. The first of those legacies flowed from the dramatic transformation that Roosevelt brought about in the nation’s trade policy. Although Democrats had long opposed high tariffs, no previous administration had embraced trade liberalization as enthusiastically as Roosevelt’s. With the passage of the Reciprocal Trade Agreement Act of 1934, Roosevelt worked to lower trade barriers in an effort to promote economic growth and advance U.S. foreign policy goals. That shift helped define the preeminent place of the United States in the postwar world; it also prepared the way for the ultimate departure of textile industry jobs from the United States.

The second legacy this dissertation traces is the effort to provide greater economic security to workers and empower them through policies and laws that attempted to create a more equitable relationship between labor and management. The New Deal is known broadly for its creation of a social “safety net” that helped large segments of the American public endure the economic deprivation of the Depression and thrive in the post-World War II economic expansion. Programs such as the Works Progress Administration and Civilian Conservation Corps provided employment; Social Security introduced old-age pensions, aid to dependent children, and unemployment insurance that helped millions of Americans avoid destitution. The Wagner Act helped millions of industrial workers organize unions and gain a voice in their industries. But, as this dissertation shows, that worker-empowering legacy of the New Deal never penetrated deeply in the South. It failed to transform the South’s largest industrial employer, the textile industry, the way it did other mass production industries. By failing to bring an institutional voice to southern textile workers,
that failure also prepared the way for the changes that would in time cost them their jobs.

The intersection of these twin legacies of the New Deal, its effort to promote trade liberalization on the one hand and worker security on the other, constituted the warp and woof of the New Deal Order in the textile industry. New Deal policies attempted to improve conditions for workers, regulating wages and hours and offering workers an opportunity to form unions and bargain collectively with employers. Workers would enjoy their new rights while working within a new trade philosophy that represented a sea change from decades of U.S.-imposed protective tariffs. This “reciprocal trade” policy, the brainchild of Roosevelt’s longtime secretary of state, Cordell Hull, aimed to lower tariff barriers, expanding international trade in the process and increasing production and exports for American workers and industries.

For workers in the nation’s textile and apparel industries, however, this ideal of worker voice and trade promotion never worked as anticipated. Over time, as it completely unraveled, it was never reworked to offer worker voice in an export-driven economy that policymakers hoped to build. It was potentially destructive in textiles and apparel – an industry that was far more susceptible to import competition. While the apparel industry was largely organized, textile manufacturers successfully resisted labor organizing in the 1930s, especially in the South, and prevented the development of collective bargaining and strong worker protections in the larger, southern branch of their industry. That proved to be a Pyrrhic victory for the manufacturers. Not only did it deny southern textile workers an institutional vehicle that might have influenced the trade policies that ultimately cost them their jobs, it also denied the manufacturers a
future ally that might have helped them resist trade policies that undermined their businesses. The failure of southern textile workers to organize and develop a collective voice on trade issues also undercut resistance to trade liberalization within the labor movement. It meant that those workers most adversely affected by trade liberalization in the 1950s and 1960s – textile and apparel workers – had a muted voice within organized labor, whose postwar leadership was dominated by leaders like AFL-CIO president George Meany. To Meany, trade liberalization continued to be an essential tool in the Cold War long after trade policies had begun to erase American manufacturing jobs.

If the fabric that the New Deal attempted to create by interweaving worker protections and trade liberalization was never woven tightly in the case of the nation’s textile industry, that fabric continuously unraveled through the 1970s. By the time the labor movement and its allies became fully aware of the impact of import competition on the nation’s manufacturing base, it was already too late to save what was left of the nation’s textile industry, and other manufacturing industries too were facing a growing crisis.

To be sure, some industrial decline in the United States following World War II would have been expected. With large swaths of Europe and Asia in ruins, and other nations in Africa, Latin America, and the Middle East yet to experience widespread development, the United States stood alone as an economic powerhouse when hostilities ceased in 1945. Any path to postwar recovery would have yielded newer economic sectors in other nations, in turn challenging and reducing American economic dominance. However, the path that the United States took in the postwar era – continuing to lower trade barriers as a rationale for creating a stable international economy and for fighting the
Cold War, all while effectively weakening protections for workers at home – had dire effects on the nation’s most labor-intensive manufacturing industries. The nation’s textile sector, as one of the industries most sensitive to import competition, was specifically vulnerable as nations began to build or modernize their industrial sectors and looked to trade with the United States.

This dissertation argues that what happened in the domestic textile industry was a harbinger of the collapse of the New Deal Order. Although structural problems plagued the textile industry in the United States for decades, making it susceptible to overproduction and intense regional competition, the industry’s decline was accelerated by the imbalance that developed between the New Deal’s twin legacies of trade liberalization and worker empowerment. While trade liberalization deeply affected the industry’s fortunes, worker empowerment barely left a mark on the industry’s anti-labor tendencies.

This argument challenges and revises the ways in which historians have written about the New Deal and the New Deal Order, the durable policy framework and political coalition that came to dominate American policy and politics between the 1930s and 1980. The years covered by this dissertation (1933 to 1974) coincide with the arrival of the New Deal, the birth of the New Deal Order, and the first stages of that order’s decline. This period saw the United States rise from the Great Depression and enter a period of unprecedented prosperity. At the end of this period, the United States’ economy still dominated, but it was beset by problems such as economic stagnation at home and increased competition by other world economies. The economic troubles that were

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becoming apparent by 1974 would soon open to the door to an ascendant New Right. Most historians have tended to write about the decline of the New Deal Order as a post-1974 phenomenon. Looking at the textile industry as a harbinger, I argue that the unraveling of this order had begun many years earlier than most historians have contended.

This study shows how the New Deal Order harbored internal contradictions that ultimately contributed to its demise. Efforts to pursue trade liberalization on the one hand and worker protection on the other during the New Deal Order were always fraught, but in no industry were the potential contradictions between these policy goals more evident than textiles. Over the span of four decades, I argue, trade liberalization contributes to the fraying of the fabric of economic security referenced in the title. Politicians within the New Deal Order embraced trade liberalization and, over the years, attached trade policy to Cold War geopolitics as a means to ensure international stability. By the 1970s, trade policy was connected to an expansion of American exports to counterbalance domestic economic stagnation. At the same time, laws to expand workers’ voice through Section 7(a) of the National Industrial Recovery Act and the National Labor Relations Act never really thrived, denying textile workers an opportunity to expand their presence in the labor movement. As a result, trade liberalization flourished while efforts to give workers a voice in the textile industry floundered. Politicians’ broad embrace of trade liberalization, combined with labor’s weakness in the textile industry and manufacturers’ hostility to unions, made textiles a vulnerable industry. The story of what happened to textiles suggests that trade liberalization must be considered, along with conflict
over civil rights and Vietnam, as one of the factors that unraveled the New Deal Order.²

This dissertation is also the result of a search for answers to my questions about industrial decline—questions that I began to struggle with long before I entered graduate school. The search for those answers was part of an attempt to understand the changes that had affected my hometown of Lawndale, the western North Carolina community where I grew up, as well as other communities in which I lived throughout the state and across the country.

Cleveland County, in which Lawndale is located, was shaped in many ways by cotton and the textile industry. Cotton was one of the main agricultural crops in the area, and its presence fueled the rise of textile mills there—a smattering in the early 1800s, then a rapid burst in the latter decades of the century and into the early 1900s. For decades, the mills drew poor white farmers who were looking for employment. In the early 1920s, a mass influx of African American sharecroppers, including my father’s side of my family, moved north from Georgia to escape the twin assaults of boll weevils and abusive planters. The mills initially offered these new arrivals no chance to escape work in the fields. Textile jobs were almost exclusively reserved for whites; that only began to change in the late 1960s and early 1970s, a time when my mother and paternal

grandmother were among the first wave of African Americans finding work in the mills. By the 1980s, even with import competition accelerating the industry’s decline, high school graduates could still find mill work to make a living, or, as I did, to cover college expenses.

But with the ratification of the North American Free Trade Agreement in 1993 and the World Trade Organization’s decision two years later to phase out all subsidies for textiles and let the international market in textiles rely solely on market forces, the bottom finally fell out of the domestic textile industry. By the early 2000s, textiles had almost vanished from in Cleveland County. A series of mill closures raised the county’s unemployment rate until it reached 10.1 percent in 2002, among the highest rates in North Carolina.³

One of those closures occurred in Lawndale, which originated in the early 1900s as a mill village. In the spring of 2001, Cleveland Mills Company, the company around which the town was created, ceased operations. Between 1995 and 2005, North Carolina – which had reigned as the nation’s largest textile-producing state since the 1920s – lost more than 60 percent of its textile manufacturing jobs. Almost overnight, mills became silent. Their interiors were stripped of machines that were shipped to foreign manufacturers. Demolition crews dismantled buildings, salvaging wooden beams, heart pine flooring, and brick for use in other projects. Other mills remained standing, awaiting adaptation for reuse as their parking lots gradually became choked with weeds.

Cities like my hometown became less tidy as work and money both were in short supply. With money scarce, basic necessities like food, medicine, and clothing took priority over maintaining homes. Many inhabitants of these affected communities wasted no time pointing fingers at NAFTA as the cause of the disappearance of these jobs; in describing the effect of the agreement, one relative turned NAFTA into a backronym: “North American Futures Traded Away.”

The industrial titans I passed that night on the train to Atlanta had all either failed or been reduced to shadows of their former selves: Burlington Industries filed for bankruptcy in 2001; two years later, Pillowtex Inc., which had purchased Cannon Mills, shut its doors. Cone Mills closed in 2004; Dan River followed suit in 2006. Other textile companies either relocated or merged: Springs Mills moved from South Carolina to South America in 2005, becoming Springs Global; J. P. Stevens & Co. merged with West Point Manufacturing Company and Pepperell Manufacturing to become WestPoint Home in 2011.

The desolation I saw and contemplated during that trip, in stark contrast to the landscape of my formative years, immediately sprang to mind when I read an oft-quoted passage by Karl Marx and Friedrich Engels from the Communist Manifesto: “All fixed, fast frozen relations, with their train of ancient and venerable prejudices and opinions, are swept away, all new-formed ones become antiquated before they can ossify. All that is solid melts into air, all that is holy is profaned. …” Their words resonated with me as I saw the devastated, demolished textile mills in the otherwise thriving southern Piedmont of the early twenty-first century.

Such devastation was relatively new to the South, but it was not a new phenomenon. As early as the late 1800s, when the industry began its southward
shift, New England communities were experiencing the mill closings that would not become a widespread feature of southern life for nearly a century. For decades New England had sought to hold on to its textile industry as it moved south, seeking cheaper labor and abundant cotton. During my lifetime, a process that began decades earlier transformed the region of my birth, leaving behind empty mills and the questions that proliferated in my mind.

I knew that trade agreements like NAFTA explained part of the decline in manufacturing in the United States, and part of what happened to the mill world I saw in my youth, but I also knew that such agreements were not the sole explanation. Any effort to paint deindustrialization as the fault of a single person, entity, or event, will inevitably fail to both grasp the immensity of the transformation and appreciate the multiple causes that unraveled the imperfectly interwoven policies of trade liberalization and worker protection and overdetermined the fate of the domestic textile industry.

Historians have written much about the textile industry’s movement from New England and the Middle Atlantic to the South, as well as unions’ decades-long futile attempts to organize southern workers. They have covered episodic stories within the industry: struggles to integrate the textile industry, labor-management battles that ultimately destroyed a union’s foothold in a southern company, activists’ battles to force textile industries to provide medical care for

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workers injured by exposure to cotton dust, or the effort to boycott J. P. Stevens products for its labor practices and repeated citations for labor violations. Still others provided overviews of the change in southern textiles, the fate of textile unionism overall within postwar American society, or documented the rise of labor leaders or the decline of unions such as the Textile Workers Union of America. But historians have written comparatively little about the challenge imports posed to a manufacturing sector that was among the nation’s largest, or the interplay among textile executives, political leaders, and organized labor figures who tried to salvage the industry.

Historians have studied textile workers, especially in the South, for their interaction with religion or, through the use of oral history, their experience as mill village inhabitants. But they have written much less about the larger political economy that governed the world in which these textile workers lived and worked – a world that, over time, was reordered by that same political economy and then rendered obsolete.

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While we have a voluminous body of work on the textile industry in New England and the South, no works explore the issue of imports, trade policy, and organized labor’s effort to aid the industry in the postwar period. With the nation’s textile and apparel industry seeing significant reductions in the size of its workforce since the early 1970s – from 2.4 million in 1973 to 368,200 in February 2016, according to the Bureau of Labor Statistics – the story of the industry’s decline is largely untold. This is, in part, a testimony to the industry’s highly decentralized nature. In contrast to manufacturing centers that developed in automobiles (Detroit) or steel (Pittsburgh, Cleveland, Chicago, and Birmingham), large textile manufacturers were headquartered in New York or New England, but their manufacturing operations were scattered from New England to Georgia. In addition to these large manufacturers, smaller, family-run chains or individual mills could be found in Southern cities and small mill towns like Lawndale, where the manufacturers often exercised outsized influence on business, politics, and news media.\(^9\)


Deprived of a foothold in the region with the largest number of textile workers, textile labor leaders never gained as much influence in their industry as union leaders in other manufacturing industries. Their inability to organize the South, in turn, contributed to the fractured nature of textile unions. Conflict and rancor characterized relations among the leading textile unions for decades. The chief protagonists were the United Textile Workers of America (UTWA), a craft union that formed under the banner of the American Federation of Labor in 1901, and the Textile Workers Union of America (TWUA), which got its start in the 1930s under the auspices of the Committee for Industrial Organization. The UTWA and TWUA narrowly missed a total unification in the late 1930s; a UTWA faction later resurrected the union and engaged the TWUA in a running feud that lasted into the 1960s. The TWUA was the nucleus of what Sidney Hillman, the founder of the Amalgamated Clothing Workers of America (ACWA), had hoped would be the nation’s first industrial union of more than one million textile workers. But bitterness between the TWUA and UTWA persisted through the years, hampering organizing efforts, especially in the South. By comparison, the ACWA and the International Ladies’ Garment Workers Union (ILGWU), both well established in the garment manufacturing industries, did not experience rancor like that between TWUA and UTWA.\textsuperscript{11}

\textsuperscript{11} The four largest unions in the textile and apparel industry – the United Textile Workers of America, International Ladies’ Garment Workers’ Union, Amalgamated Clothing Workers of America, and the Textile Workers Union of America – have been documented in numerous historical works. While no definitive historical work exists for the UTWA, the smallest and oldest of the four unions documented in this study, its involvement in textile strikes, most notably the 1934 General Textile Strike, which it led, is documented in Irons’ \textit{Testing the New Deal} and \textit{A Glance,” http://www.bls.gov/iag/tgs/iag_index_alpha.htm} (accessed March 6, 2015). Textiles and apparel are grouped by the BLS under three codes established by the North American Industrial Classification System (NAICS): 313 (Textile Mills), 314 (Textile Product Mills), and 315 (Apparel). See also Timothy J. Minchin, \textit{Empty Mills: The Fight Against Imports and the Decline of the U.S. Textile Industry} (Lanham, Md.: Rowman & Littlefield Publishers, Inc., 2013): 2-4.
The conflict that characterized relations between the UTWA and the TWUA and the weakness of both unions in the South meant that labor was often forced to fight the import and trade issue in cities in other regions of the country where the allied garment unions had influence, if not numerical strength. In the end it was the ACWA and ILGWU that finally put import competition in this industry in the public eye in the late 1960s with a series of informational pickets at department stores selling imported clothing. For all the combined human power and talent within the four unions, they together failed to mount a concerted effort to enact a worker-friendly trade policy during the years in which textile- and apparel-exporting countries were capturing a growing proportion of the U.S. domestic market.

Numerically weak, especially in the South, rival textile unions could neither forge a lasting peace with each other nor align with manufacturers to

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develop more mutually satisfactory trade policies. Protectionists in labor and business clashed repeatedly with government officials who saw increased trade liberalization primarily in terms of international affairs, rather than domestic economic terms, during the Cold War era. Labor and business both criticized government officials who saw trade liberalization in purely foreign policy terms and who believed that increased global trade would provide economic security for other nations, allow those nations access to capital with which to repay debts owed the United States or other countries, and foster an anti-communist international order. But textile unions were never organized enough and their bonds with textile manufacturers were never strong enough to counter the arguments of those who championed trade liberalization as a tool of foreign policy or who blindly clung to the belief that a world trade system based on comparative advantage would naturally and inevitably produce rising standards of living for all. Industry and labor did briefly collaborate in the early 1960s with the administration of John F. Kennedy (who had witnessed the impact of textile mill closings in his native Massachusetts) on a plan to revive the industry. But that collaboration was short lived; labor and capital would not join forces on trade policy on any meaningful and lasting basis until the mid-1980s – too late for their efforts to make a difference.

By then the trade regime that the United States had constructed around the General Arrangement on Tariffs and Trade (GATT), the U.S.-led multilateral effort to lower international trade barriers between 1947 and 1994, had led to the decimation of American textile jobs.\footnote{Susan Ariel Aaronson, \textit{Trade and the American Dream: A Social History of Postwar Trade Policy} (Lexington: University Press of Kentucky, 1996): 1-3.} This study adds to leading historical
studies of GATT and trade liberalization by showing that business, labor, and the state each embraced trade. For the state, this meant attaching trade policy to other foreign policy goals, including the reconstruction of war-torn areas following World War II, the rise of supranational trading blocs in the 1950s and 1960s, and Cold War political calculations. For labor, it meant aligning with the state on its free trade goals until unions in import-sensitive industries, including textiles and apparel, belatedly forced the labor movement to reassess its stance on trade. For business, it meant assuming continued dominance of American industries in world markets and supporting an economic model built around policies that allowed the development of foreign subsidiaries that could take advantage of foreign tariff cuts, lower wages, and American tax laws to shift production away from the United States.13

The failure to organize southern textiles also deprived the labor movement itself of a voice warning of the pitfalls of international trade. While individuals within the textile unions were aware of global competition and attempted to raise concerns about that competition, textile unions’ relative weakness meant they could not influence the labor movement to recognize the

problems of import competition until during the years when AFL-CIO opposition might have modified the trade regime. While historians have sought explanations for the twentieth-century decline of organized labor in the United States in the rise of the New Right, in macroeconomic shifts, and in the roles played by race and gender, they have largely overlooked the influence of trade liberalization as it is discussed in this study.  

In addition to the literature dealing with the textile industry in the United States, this dissertation will engage works regarding the rise and fall of the New Deal Order. As stated earlier, that order was characterized by legislative efforts to create a limited welfare state and provide economic security for Americans. However, the New Deal Order contained several elements that contributed to the order’s decline and eventual eclipse, such as backlash over race, economics, or labor policies.  

I argue that trade policy is one such element that led to the

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15 A broad variety of readings detail the New Deal Order’s influence and ultimate collapse, in addition to Fraser and Gerstle’s seminal work, *The Rise and Fall of the New Deal Order*. For economic policies as pursued by workers and expressed through labor activism tied to the New Deal, see Lizabeth Cohen, *Making a New Deal: Industrial Workers in Chicago, 1919-1939*, 2nd ed. (New York: Cambridge University Press, 2008); Robert H. Zieger, *The CIO 1935-1955* (Chapel Hill:
collapse of the New Deal Order in that the rationales for trade policy in this period were tied primarily to foreign policy goals rather than domestic economic goals. Domestically, issues of economy or civil rights, or even the Cold War, claimed more attention from the public than did trade, ultimately capturing the scholarly imagination as causes of the decline of the New Deal Order. This study seeks to place trade alongside the other issues that marked the downfall of the New Deal Order and the rise of the New Right; it was not until import-sensitive industries were under direct threat from low-wage imports that trade began to register as an issue.

University of North Carolina Press, 1995); Boyle, The UAW and the Heyday of American Liberalism; Dorothy Sue Cobble, The Other Women’s Movement: Workplace Justice and Social Rights in Modern America (Princeton: Princeton University Press, 2004); Alice Kessler-Harris, In Pursuit of Equity: Women, Men, and the Quest for Economic Citizenship in 20th-Century America (New York: Oxford University Press, 2003); and Alan Brinkley, “The New Deal and the Idea of the State,” Steve Fraser, “The Labor Question,” and Nelson Lichtenstein, “From Corporatism to Collective Bargaining: Organized labor and the Eclipse of Social Democracy in the Postwar Era,” in Fraser and Gerstle, The Rise and Fall of the New Deal Order. The fight against racial discrimination, while yielding workplace gains for racial minorities and in some cases political gains in African American communities, contributed to the decline of the New Deal Order by alienating working-class whites; in some cases, positive civil rights campaigns at a time of shifting macroeconomic policies and industrial conditions failed to yield beneficial results for workers. See Stein, Running Steel, Running America, and Robert Rodgers Korstad, Civil Rights Unionism: Tobacco Workers and the Struggle for Democracy in the Mid-Twentieth Century South (Chapel Hill: University of North Carolina Press, 2003). For views of the decline of the New Deal Order, see Alan Brinkley, The End of Reform: New Deal Liberalism in Recession and War (New York: Alfred A. Knopf, 1995), which argues the New Deal Order was severely damaged and curtailed as early as 1937, while David Plotke, in Building a Democratic Political Order: Reshaping American Liberalism in the 1930s and 1940s, 2nd ed. (New York: Cambridge University Press, 2006), places the decline from 1968 to 1972. Race relations, Vietnam, and taxes are prominent in studies of the decline of the New Deal Order in the 1960s and 1970s, in direct contrast to trade, though trade is connected directly to economic decline in this period. Trade is also connected indirectly to Vietnam, as a Cold War conflict that influenced the AFL-CIO’s support of trade liberalization until 1969, when rising imports in numerous sectors led the federation to begin questioning the rationale behind trade liberalization. Trade also feeds indirectly into working-class whites’ anxieties about race relations: as trade generated worries among whites about the potential for loss of jobs to foreign competition, anti-discrimination laws helped open up workplaces to women and African Americans – especially in the textile industry, which was largely white until the late 1960s. Works dealing with race, Vietnam, and taxes and their contribution to the decline of the New Deal Order include the aforementioned Stein, Running Steel, Running America; Siegel, Troubled Journey; Boyle, The UAW and the Heyday of American Liberalism; O’Neill, Coming Apart; Edsall and Edsall, Chain Reaction; and Rieder, Canarsie.
This study also contributes new insights to the literature on industrial
decline in the United States in the latter decades of the twentieth century.
Beginning with the 1982 study by Barry Bluestone and Bennett Harrison that coined the term “deindustrialization” and launched it into the national lexicon, the term has had one definitive meaning to the general public. To most, deindustrialization has largely come to mean, as historians Jefferson Cowie and Joseph Heathcott argue, either a “systematic disinvestment in the nation’s basic productive capacity” or the diversion of capital “from productive investment in our basic national industries into unproductive speculation, mergers and acquisitions, and foreign investment.” Most of the literature around deindustrialization followed this definition and focused on the very end of that process – the closure of factories and the subsequent disruptive effects of mass unemployment on families, neighborhoods, and city and regional economies.


18 Numerous studies of deindustrialization have been published, many of which are local historical accounts tied to a single town or event linked to the loss of a single plant or community industry. Some of the more prominent local studies include Bryant Simon, Boardwalk of Dreams: Atlantic City and the Fate of Urban America (New York: Oxford University Press, 2006); Steven P. Dandaneau, A Town Abandoned: Flint, Michigan, Confronts Deindustrialization (Albany: State University of New York Press, 1996); Kathryn Marie Dudley, End of the Line: Lost Jobs, New Lives in Postindustrial America (Chicago: University of Chicago Press, 1994); Dale A. Hathaway, Can Workers Have a Voice? The Politics of Deindustrialization in Pittsburgh (University Park: Pennsylvania State University Press, 1993); John P. Hoerr, And the Wolf Finally Came: The Decline of the American Steel Industry (Pittsburgh: University of Pittsburgh Press, 1988); Paul D. Staehlin and Holly E. Brown, eds., Deindustrialization and Plant Closure (Lexington, Mass.: Lexington Books, 1987); and Staughton Lynd, The Fight Against Shutdowns: Youngstown’s Steel Mill Closings (San Pedro, Calif.: Singlejack Books, 1982). A number, however, seek to look beyond the episodic events of industrial decline and place the incidents in context. These studies include Chad Broughton, Boom, Bust, Exodus: The Rust Belt, the Maquilas, and a Tale of Two Cities (New York: Oxford University Press, 2015); Cowie and Heathcott, eds., Beyond the Ruins; Jefferson Cowie, Capital Moves: RCA’s Seventy-Year Quest for Cheap Labor (Ithaca: Cornell University Press, 1999); Stein, Running Steel, Running America; Ruth Milkman, Farewell to the Factory: Auto Workers in the Late Twentieth Century (Berkeley: University of California Press, 1997); Thomas J. Sugrue, The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit (Princeton: Princeton University
Historians have since come to realize that deindustrialization is a broader process that may not always be tied to a single time, place, or event. The process of deindustrialization is historical in nature, not episodic, which means that a better understanding of deindustrialization requires examining and engaging the multiple forces that are involved in the process. In short, this new view of deindustrialization is intended to examine the antecedents of industrial decline rather than the actual result, such as a plant closure. Some works, like Cowie’s study of RCA’s decades-long migration from New Jersey to the Mexican state of Chihuahua, placed deindustrialization within a longer time frame as he traced the movement of RCA factories from Camden to Bloomington, Indiana; Memphis, Tennessee; and ultimately, Ciudad Juárez, Mexico over decades as RCA exploited regional, gender, racial, and national divisions among workers along the way.

This study, like Cowie’s, seeks to place textile deindustrialization within a longer framework in order to avoid seeing industrial decline as simply a number of plant closures. In an industry as decentralized as textiles and apparel, this framework is the one that makes sense. With thousands of small and mid-sized mills, a handful of large manufacturing chains, and no dominant population center for the industry, the alternative would be a seemingly endless parade of local histories of mill towns including studies of plant closures and their effects on communities.

Press, 1996). Stein’s Pivotal Decade also offers further insight into the role that 1970s policy changes and macroeconomic shifts played in transforming the American economy away from manufacturing and toward finance. For studies regarding industrial decline in the textile and apparel industry in the United States, see Minchin, Empty Mills, and Rosen, Making Sweatshops.

Cowie and Heathcott, “Introduction” in Cowie and Heathcott, Beyond the Ruins: 2.

Cowie, Capital Moves.
But this study, unlike Cowie’s or any other extant study of industrial decline, looks for the roots of U.S. deindustrialization in the interplay between labor and trade policy, between unionized and nonunion firms, and between regional competitors in the North and the South, in one of the nation’s leading employment sectors, the highly decentralized textile industry. While historian Timothy J. Minchin, who has written several works involving southern textiles, argues that the precipitous decline in employment in the textile and apparel industry began in 1973, I outline the forces that lead up to that point. Efforts to impose textile import quotas in the 1980s before the industry’s post-NAFTA collapse were not the beginning of the end for the domestic textile industry, as Minchin states. Rather, the end had already been determined by 1969. In that pivotal year, when the AFL-CIO started to reevaluate its support of trade liberalization, import-sensitive industries such as textiles had faced nearly two decades of erosion of their markets at the hands of imports from low-wage nations.

Finally, this work is intended to show that much of what we think of as “deindustrialization” is actually the end of a long process. The slow decline of the textile industry in the decades after World War II occurred largely out of the view of millions of Americans. It was abetted by policies that were framed, at times, in terms of advancing U.S. foreign policy objectives more than the economic well being of American citizens. Deindustrialization began long before plants began closing their doors, wreaking havoc on families, neighborhoods, and communities in the form of mass unemployment, lost wages and tax revenues, economic instability, depression, alcohol and drug abuse, and family strife. It was a process that had nearly culminated before its effects penetrated
the national consciousness. By the time the plants along my trip through the old
textile landscape of the upper South had begun to close, the battles had long been
fought and their fates long decided.

This work will be laid out in seven chapters. Chapter I, encompassing the
years of the Franklin D. Roosevelt administration, explores how the
administration attempted to advance workers’ rights and expanded trade as two
parts of the same general effort to promote recovery from the Great Depression.
The enactment of the Reciprocal Trade Agreements Act (RTAA) in 1934,
alongside multilateral efforts such as the Bretton Woods conference and the
creation of the World Bank, set the stage for a push toward trade liberalization.
These efforts, coming as the textile industry entered the final three decades of a
century-long shift from New England to the South, coincided with the enactment
of policies intended to give greater security to workers, such as the Social
Security Act and the National Labor Relations Act (NLRA) of 1935. Yet, in the
textile industry, the efforts to promote both workers’ rights and trade
liberalization were never successfully interwoven. Southern textile employers
resisted union efforts and the federal government proved unable to protect
textile workers rights in the South. The General Strike of 1934, the largest strike
in American history to that point, ultimately failed to yield any tangible gains for
textile workers, and its failure meant that the industrial union movement that
swept the nation in the 1930s never took root in the region where most textile
workers labored. While World War II created conditions that allowed industrial
unionism to finish organizing industries like autos and steel, the textile industry
remained impervious to unionization. As the war came to an end and the United
States prepared to embark upon a postwar economic path largely centered around trade liberalization, the workers in the industry to be most adversely affected – textile workers – possessed no institutional voice capable of opposing or modifying that policy.

Chapter II, covering the years from 1945 to 1960, shows how textile workers first began to notice problems caused by imports, automation, recessions, and reduced demand. It describes how imports from Hong Kong and Japan, where the United States had helped rebuild a textile industry that posed a threat to domestic manufacturers in the 1930s, affected the American market. But this chapter also shows that concern over imports among textile labor was overshadowed by other challenges: internal fights between unions; efforts to revitalize cities, including textile centers, devastated by the loss of factory jobs; and skepticism from free trade supporters who saw import competition as insignificant and who believed trade would help the United States meet international economic challenges posed by the Cold War. As a result, import competition did not receive attention or concentrated action between the end of World War II and the 1960s. This chapter will highlight the stories of three leaders who tried to respond to labor’s needs in a time of change for the textile industry and the communities that depended on it. In the 1950s, Solomon Barkin, the research director of TWUA, and David J. McDonald, the president of the United Steelworkers of America (USWA), developed policies to aid workers and communities affected by plant closings. At the same time, John F. Kennedy, a congressman and U.S. senator from Massachusetts, worked with labor in an effort to preserve what was left of the textile industry in New England.
Chapter III covers Kennedy’s presidency and outlines the work his administration undertook in trying to strengthen the domestic textile industry. As the first Democrat elected president since postwar import competition became an issue for the industry, Kennedy was forced to act, driven by the effect of imports on his home state as well as concern from economically and politically powerful textile manufacturers in the South, the Democratic Party’s home region. Working with labor and business, Kennedy implemented a plan designed to revitalize the industry; while he resisted calls from the public, labor unions, and textile manufacturers for import quotas, his trade negotiators hammered out international agreements designed to control the flow of imported textiles into the United States. Textile labor leaders were optimistic about Kennedy’s efforts, but most of the U.S. labor movement, influenced by the Cold War, still remained squarely within the free-trade camp, especially as the administration sought and won new legislation to modernize the RTAA. The lack of pressure from labor allowed the Kennedy administration to pursue a trade liberalization policy with only slight modifications.

Chapter IV, covering the years from 1964 to early 1969, outlines rising discontent with the Kennedy- and Johnson-era trade regime. Efforts to police the international textile trade broke down, and textile imports continued to surge in the United States. At the same time, capital mobility began to pose a threat to domestic industries, reflecting the growing internationalization of the textile trade. As low-cost nations like Japan used their industries to create textiles for sale in export markets, other nations, like neighboring Mexico, established tariff-free maquiladora zones through its 1965 Border Industrialization Program. This chapter shows the simultaneous rise of low-cost textile manufacturing sectors
and tariff-free zones for garment manufacturing or finishing – both in nations where workers earned a fraction of the wages paid U.S. workers – quickly jeopardizing thousands of textile and garment manufacturing jobs. This trend awoke more opponents of trade liberalization within the labor movement, such as Jacob Potofsky, the longtime ACWA leader. Potofsky realized a shifting, increasingly global economy meant that imported clothing and textiles were manufactured under labor conditions that his union had fought for decades to eliminate in the United States.

Chapter V covers the watershed year of 1969, when the AFL-CIO, following the lead of the ACWA, ILGWU, and UTWA, finally began to question its unconditional support of free trade. The AFL-CIO’s shift took place as textile and apparel unions organized numerous informational pickets nationwide designed to raise awareness of the effect of imports on jobs, livelihoods, and communities. In a telling sign that demonstrated textile labor’s relatively weak voice, the AFL-CIO shift occurred after unions in other industries raised the same concerns about imports that their textile and apparel counterparts had made for decades. These protests succeeded in galvanizing the attention of lawmakers and the general public, placing renewed attention on Congress to pass import quota legislation. The protests also attract the attention of President Richard M. Nixon, who had followed a path to the White House that, like Kennedy’s, sought support from textile manufacturers whom he sought to make part of his southern electoral coalition.

In Chapter VI, I discuss a vigorous fight in 1970 by protectionist forces in organized labor that fell short. Textile unions were part of a coalition of workers who supported a bill to impose quotas on many import goods, including
clothing and shoes, steel, pottery, and automobiles. Their efforts, sparked by the nation’s dwindling trade surplus and the loss of jobs in many industrial sectors, met with opposition from multinational corporations who hope to continue profiting from their foreign subsidiaries. U.S. trade officials also opposed efforts to limit imports, fearful that restrictions would halt the course of trade liberalization and spark a new international trade war. During the year, as textile unions continued to hold organizational pickets warning of the threat of imports on manufacturing jobs, the Nixon administration sought to reach voluntary agreements with several Asian nations to restrict their textile exports to the United States. The promising campaign for import quotas, despite significant support from labor and members of Congress – including Arkansas Democrat Wilbur Mills, chair of the powerful House Ways and Means Committee – collapsed following a lobbying campaign from multinational corporations, many of which had benefited from changes in U.S. tax laws and the creation of supranational trading blocs like the European Economic Community (EEC) in the 1950s.

Chapter VII outlines organized labor’s belated conversion to a position opposing trade liberalization between 1970 and 1974. It tells the story of labor’s failed effort to pass the Burke-Hartke Bill of 1973, a measure sponsored by two Democrats – Rep. James Burke of Massachusetts and Sen. Vance Hartke of Indiana – that attempted to respond to labor’s concern over trade. As expected, U.S. businesses bitterly opposed Burke-Hartke. Not only did labor’s opponents block Burke-Hartke, they pushed through a measure that accelerated trade liberalization, the Trade Act of 1974. The bill, which expanded the President’s authority over trade deals by granting the executive branch the principle of “fast-
track authority,” became law over the vociferous opposition of textile unions and the AFL-CIO, which opposed a trade liberalization measure for the first time. The losses on the Mills Bill in 1970, Burke-Hartke in 1973, and the Trade Act of 1974 accelerated the decline of the U.S. textile industry, although the beleaguered textile unions would continue the fight to counter imports.

On its face, the story in the following chapters outlines the prelude to mid-twentieth-century deindustrialization in one of the nation’s largest industrial sectors. But it aspires to more than that. It seeks to tell the story of how the United States, in an effort to create a new world of peace and prosperity after the Great Depression and World War II, ultimately failed to secure the security and prosperity of millions of its own people. This is a tale of how the fabric of trade liberalization and worker security that the New Deal had attempted to weave was flawed from the outset; it is a tale of how that flawed fabric unraveled over time. If we hope to create a more durable social fabric of prosperity and security in the United States in the twenty-first century, this is a story it behooves us to learn well.
CHAPTER I
An Imperfect Fabric:
Trade Liberalization, Labor, and Textiles, 1933-1945

In March 1938, while the United States was struggling through an economic downturn that marked a turning point for Franklin D. Roosevelt’s presidency, hundreds of people converged on Washington for public hearings on a proposed trade agreement between the United States and the United Kingdom. This hearing was originally anticipated to represent another step toward an agreement to lower tariff barriers on thousands of products traded between the two nations. It was also supposed to mark a crowning achievement by Cordell Hull, Roosevelt’s secretary of state, who had proposed and created a program early in Roosevelt’s presidency to increase American exports and international trade.

But this hearing was unlike any other such trade hearing previously held in Washington. Until the Reciprocal Trade Agreements Act (RTAA), the 1934 law creating Hull’s trade program, such trade negotiations were limited to the halls of Congress and, by extension, dominated by the powerful interests who sought to help lawmakers shape trade policy. The RTAA, however, moved the responsibility for trade policy to the executive branch. As a result, this hearing on the United States-United Kingdom trade agreement was not taking place in Congress, but before a group of cabinet officials called the Committee for Reciprocity Information (CRI).

In direct contrast to previous meetings on trade, which were dominated by industry groups and politicians, another group – organized labor – had voiced its worries about the proposed agreement and was on hand to witness the
hearings. Unions, especially in the woolen textile industries of New England, had become particularly critical of the RTAA trade agreements. In the fall of 1937, textile and shoe workers had protested a similar trade agreement with Czechoslovakia. New England textile workers, already facing competition from their counterparts in the U.S. South, now faced the threat from low-wage foreign imports.

The proposed United Kingdom agreement was developed amid the “Roosevelt recession” in which millions of people were unemployed during late 1937 and early 1938. Given the significance of the agreement and the economic backdrop, more than 400 people attended the CRI hearing, including elected officials and labor and industry representatives. While many supported the goal of increased trade, they also opposed the agreement out of fear that lower trade barriers would harm their industries.

One elected official who wished to voice his community’s concerns over the agreement was Walter Griffin, the mayor of Lawrence, Massachusetts. Griffin headed a delegation of 50 people who traveled to Washington for the hearing; he also lobbied James Roosevelt, the president’s son and secretary, during his visit. Griffin represented a city where tens of thousands of textile workers had lost their jobs in the recession. He also represented a local committee that formed to protest the trade agreement. The committee counted among its ranks organized labor – from the Textile Workers’ Organizing Committee (TWOC) and unions affiliated with the American Federation of Labor (AFL) – as well as industry
leaders, elected officials, and professionals, groups Griffin recognized in his CRI testimony.¹

By the time the CRI began its hearings on March 14, Lawrence’s workers and citizens had clearly voiced their displeasure with the United Kingdom trade agreement. Thanks in part to the committee’s work, Lawrence residents lodged 17,000 complaints against the agreement with the CRI – more than one third of the estimated 50,000 comments the CRI received. Residents of Lawrence and neighboring towns in the Merrimack River Valley also registered their concern with the Roosevelt administration. In the month before hearings commenced, the White House recorded at least 57 comments in opposition to the proposed reduction of tariffs on woolen textiles. Of those complaints, 42 came from Massachusetts, with 35 originating from Lawrence or nearby towns.²

In his comments to the CRI, Griffin spoke of a city where 18,000 of the city’s 28,000 textile workers were jobless, while thousands more were working part-time. Fears were widespread that the trade agreement would reverse Lawrence’s tentative recovery. “At the very least we do not want to be worse off than we are,” he said. In response, CRI Chairman Henry F. Grady, a former head of a San Francisco labor board, told Griffin the committee’s intent was to increase, rather than decrease, domestic employment. Griffin responded: “We

¹ Testimony of Walter A. Griffin, “Stenographer’s Minutes of the hearing before The Committee for Reciprocity Information in Connection with the Negotiations of a Reciprocal Trade Agreement with The United Kingdom of Great Britain” (unpublished transcripts of the United Kingdom trade agreement hearings; hereafter “United Kingdom Hearing Minutes”), March 15, 1938, Volume 2: 290-291, Record Group 364 (Records of the Office of the United States Trade Representative), Box 323, National Archives at College Park, College Park, Md. (hereafter RG 364, NA).

will be with you 100 percent if you can increase employment in our district. We have now about [18,000] people out of work, and if you have them coming to your office every day looking for work you will realize what a wonderful blessing it would be to put them back to work again.” He then sat down to applause from the Lawrence delegation.³

The protests in 1937 and 1938 around the proposed trade agreements with Czechoslovakia and the United Kingdom highlight a tension underlying two critical elements of the New Deal and Roosevelt’s presidency – efforts to expand international trade on the one hand, and policies to aid workers, granting them additional protections on the job and the ability to form unions to advocate for their interests on the other hand.

Views of Roosevelt’s presidency have tended to explore the political realignment that took place to create a durable electoral coalition that lasted nearly a half-century; the skirmishes between leaders like Roosevelt and southern Democrats over the execution of the New Deal; or even the ways in which the New Deal affected the fortunes of business and organized labor. More recently, some have argued that the New Deal contained the seeds of its own destruction.⁴


While historians have tended to describe Roosevelt’s presidency in ways that suggest it was bookmarked by the domestic crisis of the Great Depression and the international threat posed by World War II, this view obscures a shift in U.S. trade policy that took place during his tenure. The Reciprocal Trade Agreements Program (RTAP), created by the RTAA in 1934, placed the responsibility for the nation’s trade policy within the executive branch, removing it from the purview of Congress, and, it was hoped, from the excessive “log-rolling” dominated by powerful industrial interests. In this manner, trade policy would be linked with foreign policy and, in the estimation of its architect, Cordell Hull, Roosevelt’s secretary of state, the forging of economic bonds among nations that could not be dissolved by armed conflict.5

Roosevelt articulated a tariff-reducing trade policy at the same time that he strove to enact limited social-safety net reforms that boosted workers’ rights and afforded them a voice on the job. The National Industrial Recovery Act of 1933 and the National Labor Relations Act of 1935 both encouraged the

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5 Butler, Cautious Visionary: 8.
development of industrial unions. The Social Security Act of 1935 and the Fair Labor Standards Act of 1938, which provided workers with minimum wages and maximum workweek hours, both helped bring new levels of security to the nation’s wage earners. Workers responded to the protections granted in the NIRA and NLRA, seeking to gain for themselves a greater voice on the shop floor and in relation to their employers; their efforts helped create the Congress of Industrial Organizations (CIO) and injected new life into the organized labor movement in the United States.

Labor’s rise occurred simultaneously with the enactment of a trade liberalization program advocated by Hull and export manufacturers that conceived of the RTAA as a measure to boost the nation’s economy by expanding into new markets. At their inception, the trade liberalization and labor measures of the New Deal were intended to complement each other: unionization, Social Security, and minimum wages were meant to create a safety net for workers and improve their purchasing power; increased trade was intended to create more jobs and income for workers, who could also use their newly established rights to collective bargaining to improve wages, hours, and other workplace conditions for themselves. In many ways, worker security and trade liberalization constituted the warp and woof that defined the fabric of the New Deal Order. Over time, however, these threads of New Deal policy, never as tightly woven as Roosevelt might have hoped, would begin to unravel.

The worker protests against trade agreements in 1937 and 1938 foreshadowed that eventuality, expressing a tension within the New Deal Order that existed from the start. These protests remind us that decades before the era of de-industrialization some rank-and-file workers and union officials
recognized the potential threat to industrial jobs that might come from lowering U.S. tariff barriers to low-wage nations whose manufactured goods might begin to undercut American-made products. The views of these protestors clashed with those supporters of expanded international trade, who were confident in their belief of the triumph of American industrial might in a free trade world and who saw trade liberalization primarily as a tool of foreign policy, not domestic economics.

It is not surprising that these protests have been forgotten. Much of the historiography of the New Deal, in its focus on the nation’s immediate recovery from the Depression, overlooks the long-term impact of issues like trade. Likewise, the historiographical focus on organized labor in the New Deal era centers around the creation of the large CIO-based industrial unions, their leaders, and the CIO unions’ conflicts with the American Federation of Labor (AFL), not on rank-and-file members voicing concerns about issues such as trade liberalization, which would not be deemed significant for decades. The triumph of American industry during and after World War II further marginalized the concerns about international trade that textile workers expressed in 1937-38.

Although they were unsuccessful in blocking either the Czech or the United Kingdom trade agreements, the protests that culminated at the March 1938 hearing in Washington help illuminate three intertwined developments described in this dissertation: the emergence of an international trade policy that the United would continue to follow, over the objection of protestors, well into the twenty-first century; the emergence of a national labor policy that simultaneously enabled the creation of large industrial unions alongside their craft worker counterparts, and yet that ultimately proved too weak to protect
workers who sought to unionize the nation’s largest manufacturing industry, textiles; and the emergence of a political order—the New Deal Order—that rested on an approach to political economy that would prove increasingly difficult to sustain over time.

The protests also reflect conflicts between labor and the state in the early days of the New Deal. Those conflicts show that the newly woven fabric of worker security and trade liberalization was frayed from the start. By the time the United Kingdom agreement was up for debate, textile workers in places like Massachusetts – where they had begun to take part in mass industrial organizing campaigns with the Committee for Industrial Organization (CIO) – had come to see trade liberalization as a threat to their jobs. Joining politicians at all levels, workers faced off against later presidential administrations that viewed trade policy as a means of securing American influence around the world. To most administration officials in service to presidents between Roosevelt and Gerald Ford, trade was a primarily a tool whose uses shifted from building an alliance against conflict before World War II to a means of containing the Soviet Union during the Cold War. By the 1970s, in the hands of Presidents Richard Nixon and Ford, trade also became a means of boosting the domestic economy amid concerns over inflation and joblessness and the decline of the New Deal Order itself. Elite views of trade policy contrasted greatly with the views held by workers, textile executives, and local leaders who saw trade liberalization as a direct threat to companies’ survival, employees’ jobs, and the health of the communities in which those jobs were located.

The protests also reflect a new way in which industrial unions were seeking to exercise worker power almost from their beginnings, and in ways
beyond the traditional issues explored during collective bargaining. In areas like
Lawrence, the TWOC, one of the constituent CIO unions, stood up to articulate
their worries about import competition alongside employers, manufacturers,
elected officials, and other professionals. Working class people were involved
through the union in exercising their opinion on issues that affected their jobs,
going beyond “bread-and-butter” issues, like wages, hours, and work conditions
that were likely to be considered in collective bargaining. Here, by expressing
their demands for protection against imports, workers were speaking out for a
common good that would preserve not only their jobs, but the larger community
economy as well.

The changes wrought by the New Deal in terms of its trade policy, labor
policy, and the construction of a governing political order led to a transformed
landscape for labor, industry, and the state, creating a situation in which the state
took a more direct involvement in managing the national economy and
reordering world affairs, especially following World War II. While organized
labor had a greater voice in establishing that policy as a key institutional member
of the New Deal Order, its power was never significant enough to shape an
economic policy that would protect workers’ interests over the long term.

The Frayed Warp: The NRA and the Stillbirth of Southern Textile Unionism

At the time Franklin D. Roosevelt took office in 1933 on the strength of his
campaign pledge to deliver a “new deal” to the American people, he faced a
bleak national economic situation. One of his first attempts to aid the economy
and put the nation on the path to economic security came through a bill intended
to stabilize industrial output.
The bill was aimed at aiding industries like textiles, which faced significant troubles. The cotton textile branch alone was highly decentralized, with about 1,200 firms employing between 400,000 and 450,000 workers; the number exceeded 1 million when the woolen and silk branches of the industry and garment workers were included. The industry, a mainstay of New England since the late eighteenth century, began to move south in the late 1860s. There, it found cheaper labor, as well as large supplies of raw cotton and, in the early twentieth century, electric power. A class of southern industrialists sprang up, eager to exploit hopes that manufacturing would generate wealth in a capital-starved region far from Wall Street. By 1934, the South held two thirds of the textile industry; only about one third remained in New England.6

The industry was also highly unstable for workers. Atomized ownership patterns generated cutthroat competition in a field where profit margins were low, encouraging managers to embrace overproduction as a means of making money. The influence of Frederick Winslow Taylor’s principles of “scientific management,” combined with cutthroat competition and extremely thin profit margins in the textile industry, had dire effects on textile workers in the early decades of the twentieth century. Driven by a desire for production and profit, mill managers unilaterally added to workers’ workloads. This was done through increases to the pace of work (“speed-ups”) or by increasing workers’ responsibilities (“stretch-outs”). In the textile industry, the “stretch-out” typically placed fewer workers in charge of running more machines. Such practices had

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contributed to the labor disputes that periodically had affected the textile industry. Some were accompanied by strikes that triggered violence and deaths, as was the case in 1929 in the North Carolina towns of Gastonia and Marion and the east Tennessee hamlet of Elizabethton.⁷

The industrial recovery program Roosevelt called for was part of his plan to aid the estimated 15 million jobless Americans. His efforts in the textile industry quickly won the backing of an industry association group, the Cotton-Textile Institute (CTI). It had sought legislation since the 1929 strikes that would lessen competition within the industry and put it on a more sound economic footing. The CTI largely supported higher wages, modern machinery, industrial harmony, and reduced hours for workers to accomplish that goal. Although these goals appeared altruistic and focused on workers’ behalf, the industry group had its own interests in mind: while the CTI wanted industrial harmony with labor and stability within the industry, they wanted it through management initiative and government regulation – a combination that excluded labor’s voice, especially where wages and work conditions were concerned.⁸

By May 1933, a Roosevelt-appointed committee pieced together an industrial recovery bill. It gave industries the right to regulate themselves through industrial codes and suspended antitrust laws to allow industrial collaboration among firms on production levels. Workers received an eight-hour day, a minimum wage, and, in Section 7(a), the right to form unions independent

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of companies and bargain collectively with them. The bill quickly passed Congress, and Roosevelt signed the National Industrial Recovery Act (NIRA) into law on June 16.⁹

The bill appeared to satisfy the needs of all groups. In the textile industry, workers could form unions to fight the “stretch-outs” and “speed-ups” they loathed and to advocate for higher wages. Industry got the power to work with government in designing “codes of conduct” that industries could use to control production. The administration, meanwhile, got a bill it believed would revitalize industry and stimulate recovery from the Depression. The bill also aligned with four components that influenced Roosevelt’s policy makers: preventing labor strife through recognizing workers’ right to organize and collectively bargain; promoting “market unionism,” through which unions would help stabilize industry by creating and policing national labor standards; and addressing worker welfare through shorter hours, higher wages, and recognizing workers’ voices, in ways that would strengthen their purchasing power. The fourth principle – supporting management’s drive for efficient business practices – was based on a belief by reformers within the Roosevelt administration, in line with business leaders, that such practices would modernize industries.¹⁰

Yet the law contained fatal flaws. The NIRA was largely described as a part of Roosevelt’s program to reduce unemployment, yet it ignored or overlooked the power the law gave industrial trade organizations, like the CTI,
to control production. That power would come into play as workers and manufacturers battled over whether the National Recovery Administration (NRA), the government agency tasked with administering the new law, would restrict stretch-outs in the textile industry. A section of the industrial code of conduct for the textile industry that banned the practice was quickly amended, following objections from manufacturers. As it turned out, neither the NRA or the CTI (which, under the NIRA, was assigned the responsibility of carrying out the code in the industry and, incredibly, monitoring worker complaints) was required to regulate the stretch-out in textile mills, despite the belief of thousands of textile workers that the code banned the practice.\(^1\)

The first code under NIRA was established for the cotton textile industry, on July 9, 1933, three weeks after the law took effect. Hugh Johnson, the NRA administrator, later said the code had been formed through months of study between government and industry officials before the NIRA was enacted, again blocking the voice of workers from the process. To address the problems of overproduction, a labor glut, and low wages, the code limited hours of operation for textile mills and banned child labor, although the industry initially balked at ending the practice, which would threaten the loss of a traditional source of low-paid labor.\(^2\)

Textile workers who had been hopeful that the NIRA would improve their conditions were soon frustrated as the industrial code was carried out. Much of this discontent rested on the industry’s behavior in the months leading

\(^1\) Irons, *Testing the New Deal*: 57-62.

\(^2\) Hugh Johnson, “Administration of N.R.A.”, in Folder “Saturday Evening Post Articles 6/30/34, 7/7/34, 7/14/34, 7/21/34 on NRA,” Container 5, Hugh S. Johnson Papers, FDRL.
up to passage of the NIRA. In the spring of 1933, manufacturers ramped up production to stockpile manufactured goods, suspecting that coming regulation would increase production costs. Some manufacturers even hired additional workers or raised wages. When the code took effect, manufacturers reversed course, cutting jobs and stretching out the remaining workers; the Bureau of Labor Statistics (BLS) later reported that textile employment fell by 12.7 percent between August 1933 and August 1934. Workers who expected employment to increase after the code took effect instead saw job cuts, leaving them frustrated and infuriated.¹³

Other disappointments would soon surface. Employers did not adhere to the minimum wage, established by the code, of $12 per week for southern textile workers and $13 per week for their northern counterparts. The wage differential in the textile industry was not unique: a survey found 298 of the 578 industrial codes imposed by the NRA contained geographic wage differences for workers, ostensibly to account for regional cost of living differences. Many of the wage differentials applied to workers in different regions; sometimes, they applied to workers within the same region. Unskilled workers saw increases in pay, but semiskilled and skilled workers instead faced pay cuts. Longtime employees were reclassified as “learners” – a category created in the NIRA – and suddenly saw their wages cut by 25 percent (under the NIRA, learners were paid 75 percent of the going wage). Employees suffered threats from managers who refused to follow the code; other workers were fired for attempting to form or join unions. And the stretch-outs continued, despite workers’ hopes that the

NIRA would end the practice. Textile workers filed thousands of complaints with the Cotton Textile Code Authority, not realizing their letters were going directly to the trade group representing the manufacturers whose actions they were protesting.\textsuperscript{14}

The Cotton Textile Code Authority, moreover, was understaffed and slow to take action on the mounting crush of complaints. Investigators were not given the names of complainants, in order to spare reprisals, but the anonymity also thwarted investigations. In other instances, manufacturers would learn in advance that an investigator was visiting and take action to cover signs of noncompliance with the code. The rare employer who was found out of compliance was not punished but simply asked to promise to improve conditions.\textsuperscript{15}

The unions in the garment and textile industries – the Amalgamated Clothing Workers of America (ACWA) and the International Ladies’ Garment Workers’ Union (ILGWU), both of which represented workers in the nation’s suiting and garment manufacturing industries, and the United Textile Workers of America (UTWA), which represented textile workers – wasted no time seizing on the NIRA to encourage workers to increase the ranks of labor. The ACWA, for instance, issued pamphlets explaining the new law and how it gave workers the right to organize independent unions and bargain collectively with management to improve wages, hours, and work conditions, all free from employer coercion.\textsuperscript{16}


\textsuperscript{15} Irons, \textit{Testing the New Deal}: 72-74.

\textsuperscript{16} Amalgamated Clothing Workers of America, “A New Deal for the Clothing Workers,” n.d. [ca. 1933], MSS1 (Amalgamated Clothing Workers of America, Local 125 Papers), Box 12, Folder 37
Another ACWA pamphlet warned workers against signing “yellow-dog contracts” – agreements with management to leave, or avoid joining, unions. These yellow-dog contracts were outlawed by the NIRA’s section 7(a). The pamphlet concluded with an exhortation to workers to unionize “for a New Deal” and “for prosperity and security.”

Workers did take advantage of Section 7(a) of the NIRA to form unions throughout the industry, most affiliated with the UTWA, whose roots extended back to 1901 in New England and which itself was an affiliate of the American Federation of Labor (AFL). The UTWA, a union that tried to compensate for its weakness by pursuing a conciliatory attitude toward managers while taking a disciplinarian approach with workers, could not take advantage of the militancy among southern textile workers in the late 1920s to build its ranks. Still, the UTWA grew in the region in as a result of the NIRA, adding unions that in some cases included women as officials and organizers, and in others, yielded segregated locals of African Americans. Whatever growth the union made in the region was overshadowed by its inability to harness the mounting worker discontent. With control of the NRA and the cotton textile code, the federal government and the textile industry ignored workers and failed to improve conditions in the industry. Emboldened, the CTI imposed wage cuts on the industry on at least two occasions in 1933 and 1934 even as manufacturers disregarded both the unions and the industry code, taking advantage of a virtual

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lack of enforcement. The industry, which dominated the membership of the boards set to investigate compliance with the industry code, objected to allowing workers to choose worker representatives to these boards.\textsuperscript{18}

Despite its conservative leanings, the UTWA’s membership rapidly grew as the textile industry exercised its control over the NRA and administration of the textile industry code. In July 1933, when the industry code took effect, the UTWA had organized at most 20,000 workers across the textile industry; by May 1934, the UTWA claimed to have organized 300,000 workers in the cotton textile industry alone. When the NRA announced in May 1934, without a public hearing, a 25 percent reduction in hours, the UTWA responded by calling for a general strike. A settlement between the NRA and UTWA in June staved off the strike; the understaffed NRA agreed to investigate allegations of code violations and included workers on boards charged with overseeing the industrial code. It was not enough. The UTWA voted to go on strike later that summer, and more than 400,000 workers walked off the job on September 3. The largest single work stoppage in U.S. history shut many mills nationwide for nearly three weeks, but won no lasting changes. Ironically, the strike actually benefited owners who closed mills; the strike and the poor economic conditions at the time removed any incentive to keep mills in production. Other mills remained open with the help of the National Guard; in addition, several striking workers were killed in conflicts with police or military, though no one was punished.\textsuperscript{19}


The strike officially ended on October 3, almost two weeks after a board appointed by Roosevelt suggested labor’s grievances leading to the strike deserved a hearing. The board, known as the Winant Board after its chairman, John G. Winant, a Republican governor of New Hampshire who worked closely with Roosevelt during the Depression, made several suggestions to Roosevelt, most notably urging the appointment of a board to monitor and enforce labor provisions under the NIRA. The UTWA ended the strike, hopeful that negotiations to improve textile workers’ conditions would follow; four days later, Roosevelt issued Executive Order 6858, creating the Textile Labor Relations Board (TLRB), a three-person panel, to hear and address textile workers’ complaints. Roosevelt appointed three members of the National Steel Relations Board – Walter P. Stacy, Henry A. Wiley, and James A. Mullenbach – to arbitrate complaints. The UTWA declared victory, but the union had clearly suffered a thorough defeat: Workers agreed to return to work, but won no concessions from manufacturers. Instead, numerous strike participants were ostracized and blacklisted from working in textiles, and the UTWA had no more influence with manufacturers than it did before the strike. Furthermore, the TLRB was understaffed and overworked – so much, in fact, that it turned to the Cotton Textile Code Authority, which worked in concert with the CTI, the textile manufacturers’ trade group, for help. The code authority loaned the TLRB investigators for the purpose of conducting its investigations. The effective takeover of the TLRB by the cotton textile manufacturers ultimately failed to end all but the worst labor abuses in the textile industry.20

The disastrous General Strike and the NIRA’s glaring weakness in textiles highlighted the New Deal’s failure to deliver industrial stability. The law was intended to create a system in which labor, capital, and the state could work together to address issues affecting industrial production. The execution of the NIRA, however, shut workers out—reformers in the Roosevelt administration, working with the CTI, effectively produced a process in which government and the textile industry imposed their will on the NIRA and administration of the cotton textile code. The lack of worker voice in this instance drove a conservative union, the UTWA, into a corner and toward a strike from which it won no gains. Though the Winant Board took some steps toward labor, workers’ voice was still ignored as the General Strike ended. The weakness of the UTWA and its inability to win anything for textile workers marked an especially crushing defeat for labor in the South. Radicalism and militancy had failed workers in the strikes of 1929; now, in 1934, under a president who was admired by much of the working class, a more conciliatory union had also failed to take root. The failure of New Deal policies to protect textile workers and their union efforts in 1934 would have enormous lasting consequences. That failure meant that when the New Deal began to adopt a new trade policy in that same year, workers would have no organized voice capable of influencing that policy’s impact on their industry.

As textile workers were preparing to strike in the summer of 1934, the Roosevelt administration was shepherding through Congress a piece of legislation that fundamentally altered more than a century of U.S. trade policy. Scarcely noticed amid the numerous programs and organizations created as a hallmark of the New Deal, that legislation was the brainchild of Secretary of State Cordell Hull. Hull had developed an interest in lowering tariffs as a young member of Congress as a way of mastering what he called “the two biggest, dullest, most continuing problems of government” – taxation and public expenditures. In fact, Hull’s initial speech to Congress in March 1907 attacked high tariff levels established by the Republicans, called for a national income tax, and criticized President Theodore Roosevelt for what he considered the president’s lax prosecution of antitrust violations. Over the years, Hull’s devotion to lower tariffs would highlight these themes sounded in his first days in Congress – first as a preventative measure against monopolies and trusts, then as a tool to lower prices for manufactured goods and to increase farm exports, and, finally, as a mechanism to ease international rivalries.

Hull was born in 1871 in a rural section of what is now Pickett County in central Tennessee, an area that lacked the textile presence found in the state’s eastern region. From these humble beginnings, Hull rose to become a key player in Democratic politics. Originally elected to the Tennessee House of Representatives in his twenties, he served as a judge for four years before his election to Congress in 1906, where he served, save for a single term out of office.

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during 1921-23, until his election to the Senate in 1930. As a representative, Hull’s stock in trade lay more in his behind-the-scenes hard work and lobbying colleagues to his point of view than on being visible and gregarious. Along the way, Hull gained experience as a member of the House Ways and Means Committee, where he became versed in trade, finance, and economics issues. In 1913, when Democrats controlled both houses of Congress and the White House, Hull played a critical role: he wrote legislation that established the federal income tax to make up for a shortfall of revenue that resulted when Congress, through the Underwood Tariff, reduced tariff rates to their lowest level since the Civil War. His role in establishing the income tax fixed his reputation as a force on Capitol Hill.\textsuperscript{22}

In 1920, he earned consideration as a vice presidential candidate with James M. Cox (the slot ultimately went to Franklin Roosevelt) and from 1921 to 1924, Hull served as chairman of the Democratic National Executive Committee, becoming one of the party’s most prominent figures after the Democrats’ overwhelming defeat in 1920, including the loss of his own House seat. Hull also earned consideration as a potential presidential nominee in 1924 and 1928. But his rising status mattered little while Republicans controlled the White House and both houses of Congress in the 1920s. Republican dominance prevented Hull from carrying out his low-tariff philosophy on a broader stage. In 1930, as Hull mounted his successful bid for the Senate, the tides began to shift. Congress passed the Smoot-Hawley tariff, a move that exacerbated the economic downturn, contributed to the Great Depression, and created an opening for Hull.

\textsuperscript{22} Butler, Cautious Visionary: 1-11.
Two years later, during Roosevelt’s presidential campaign, Hull would become one of Roosevelt’s most prominent allies from the South. When Roosevelt offered him a cabinet position as secretary of state, Hull accepted after several weeks of deliberation, finally gaining a position to advance his long-held views. Hull’s nomination followed the presidential precedent of nominating a powerful partisan to the top cabinet position. Hull also represented southern Democrats and Wilsonian internationalists within the Democratic Party, two important constituencies within Roosevelt’s political and electoral coalition.23

Hull saw Roosevelt’s inauguration in March 1933 as a sign that “the highway was now open” to enact his trade liberalization policy. His interest in tariff policy was shaped by regional and economic factors, as well as international affairs. Over the course of his congressional career, Hull, like a long line of southern politicians before him dating all the way back to Thomas Jefferson, came to believe that tariffs benefitted industrial, Northeast interests at the expense of agrarian interests in the South and West. He also believed that tariffs concentrated wealth among industrialists who could afford to influence lawmakers to gain an advantage for their products; furthermore, he believed tariffs were more likely to lower tax revenue, by reducing trade, than they were to generate tax revenue. By virtue of his rural and southern origins, Hull would find common cause with farmers, whose production of farm products by the 1930s exceeded what Americans could consume; farmers sought to lower other nations’ tariffs in an effort to expand export markets for their surplus products.

Finally, the outbreak of World War I convinced Hull that high tariffs and trade barriers were associated with war and unrest, while unfettered trade was evidence of peaceful relations among nations.\textsuperscript{24}

If Hull were to make his mark on trade as secretary of state, he would have to maneuver around the “Brains Trusters,” a group of intellectuals who served as aides to Roosevelt, opposed his nomination as secretary of state, and did not share Hull’s trade philosophy. The philosophical difference between the Brains Trust and Hull, as well as Roosevelt’s decision not to send trade legislation to Congress to lower trade barriers (a decision driven by the president’s desire to address the immediate economic crisis and his domestic policy advisers’ opposition to any such legislation) likely contributed to the collapse of an international trade conference in London in June 1933 where delegates from 66 nations met to propose ways of solving the international depression. Without the potential for reciprocal trade legislation in Washington, Hull did not broach the subject of reciprocal trade at London, and the conference did not make any meaningful progress on the question. Roosevelt would later relent, embracing the idea of reciprocal trade when it was received favorably among Latin American nations during an economic conference at Montevideo, Uruguay, in November 1933.\textsuperscript{25}

In short order, Hull began drafting a trade agreements bill with Roosevelt’s support. The measure shifted responsibility for trade agreements

\textsuperscript{24} Butler, Cautious Visionary: 6-8.

\textsuperscript{25} Butler, Cautious Visionary: 15-16; 27-28; 39-40, 42; 47-48; 83-84; 85-93; Hull, Memoirs: 352-353. According to Butler, one of Hull’s chief obstacles, Brain Truster Raymond Moley, an undersecretary of state who would later become a bitter enemy of the New Deal, caused additional problems by repeatedly undercutting Hull’s authority during the London conference. Moley’s resignation on August 27, 1933, removed a key obstacle to Hull’s free-trade efforts. See Butler, Cautious Visionary: 39-40; 51-79.
from Congress to the executive branch, eliminating the need for the Senate to ratify trade agreements and giving trade negotiators the ability to move faster on trade agreements. The Reciprocal Trade Agreements Act (RTAA), as the bill was known, was introduced in March 1934 and passed in June after mostly unremarkable debate. The bill met no problems in the House, but met some opposition from chemical and steel industries in the Senate. Countering that opposition, Hull insisted in testimony before the Senate Finance Committee, that the RTAA was “an emergency measure to deal with a dangerous and threatening emergency condition.”

The RTAA gave trade negotiators the power to lower tariff rates by as much as 50 percent from levels established by the Smoot-Hawley Act in 1930, though the federal government could lower rates an unlimited number of times. The RTAA designated the State Department as the executive branch agency to negotiate trade agreements without Senate approval. Finally, the law adopted the trade principle of “unconditional most-favored nation” status, meaning that a trade benefit the United States extended to a nation automatically applied to all of its trading partners.

The American textile industry offered an early and especially vocal source of opposition to the Reciprocal Trade Agreements Program (RTAP), under which the State Department negotiated trade agreements with other nations and then brought them back to Washington for presidential approval. Textile industry opposition posed a danger for Hull, as the industry’s presence in the South made


textile manufacturers an important part of Roosevelt’s political and electoral coalition. Southern lawmakers could significantly alter elements of Roosevelt’s New Deal program if they believed it might disrupt their region’s leading manufacturing and threat to the industry in turn might jeopardize the New Deal political coalition. Another voice that could have aided the textile manufacturers – that of textile workers or unions themselves – was totally absent from the early RTAP hearings, making clear the near-total defeat of the UTWA in the General Strike of 1934 had rendered the union unable to help give southern textile workers a voice in shaping policies that affected their industry.

The textile industry did not only face numerous domestic challenges including overproduction, low wages, and cutthroat competition. It also had to deal with foreign competition. By the 1930s, Japanese imports posed a threat to the domestic industry. Textiles were among the first industries Japan developed, and as the twentieth century unfolded the nation began to aggressively market its goods, especially textiles, to the United States and other nations. In 1923, Japan exported 10.8 million square yards of cloth to the United States, roughly 4.9 percent of total imports. Although Japanese cloth imports fell to 1.2 million square yards by 1929 (2.0 percent of total imports), it then exploded, increasing 1,665 percent to 21.5 million square yards in the first six months of 1935 alone, representing 59.6 percent of total imports of cloth during that period. Two major causes can be attributed to this explosive growth in Japan’s export business during the 1930s: the collapse of the yen, which made Japanese goods cheaper
and sped their peaceful entry into foreign markets; and its militarism, by which Japan entered new markets in Asia by force.\textsuperscript{28}

Despite Hull’s desire to lower trade barriers, the United States would not enter a formal reciprocal trade agreement with Japan until after World War II. Even without a trade agreement, Japan still benefited from lower trade barriers with other nations because of the most-favored-nation principle, under which an agreement with one nation would automatically extend to a nation’s trading partners. For that reason, Japan would occupy a central role in American trade efforts during the 1930s, as opponents of trade liberalization in industries like textiles invoked the specter of losing their industries to the Japanese. The nation’s export growth quickly became a topic of contention in hearings before the CRI, the interagency body that took public comments on pending trade agreements. Although all of the trade agreements reached between 1934 and 1938 were with the United States’ hemispheric neighbors or European trading partners, representatives of industries like textiles and pottery would eventually point out that Japan, because of its cheap labor and most-favored-nation trading status, indirectly benefited from the agreements being negotiated.\textsuperscript{29}


\textsuperscript{29} Testimony of Claudius T. Murchison, “Stenographer’s Minutes of the hearing before the Committee for Reciprocity Information in Connection with the Negotiations of a Reciprocal Trade Agreement With Czechoslovakia: In Five Volumes, October 25-29, 1937” (hereafter “Czechoslovakia Hearing Minutes”), Volume 1: 63, RG 364, Box 318, NA; “Memorandum of Conversation Between Secretary Hull and the Japanese Ambassador, Mr. Hirosi Saito: Trade,” June 20, 1934, Cordell Hull Papers, Reel 30, Manuscript Division, Library of Congress, Washington, D.C. (hereafter Hull Papers, LC).
Another cause for concern for the American textile industry came in 1935, less than a year after the Winant Board’s report, when Roosevelt convened a cabinet committee that included Hull and charged it with diagnosing the health of the industry. The committee, called the Roper Committee after its chairman, Commerce Secretary Daniel Roper, described a litany of problems that had lingered for decades and would continue to overshadow it for many more. Those problems included demand for textiles during and after World War I, which led to overcapacity as manufacturers built new plants and added equipment. Another problem was the continued migration of mills to new facilities in the South, which led to overproduction and pressures that led to closed mills and shortened workweeks in New England. Intense competition among companies contributed to industry instability, and as other nations developed textile industries, they effectively closed off markets for American textile exports. Finally, the nation’s textile consumption had remained steady since the 1920s, in part due to changing consumer habits. To aid the industry, the committee made several suggestions, including limiting hours of operation of equipment; buying and scrapping obsolete machinery, and direct government purchases of cotton goods. In dealing with import competition, particularly from Japan, the committee proposed an informal conference with which to reach a voluntary agreement on imports from Japan. Despite the industry’s challenges, and its own recommendation for a subsidy on raw cotton sales to domestic producers to make its exported products cheaper, the committee warned aid to the industry was unlikely because domestic textile producers could not compete with low-
wage nations and because it had already received protection for its domestic markets.  

By the time the Roper Committee’s report was issued in July 1935, Hull’s RTAP had given the textile industry a fresh opportunity to point to competition from Japan as a reason to oppose the program. In the eight decades preceding World War II, Japan underwent a rapid transition from an isolated, agrarian nation to a major industrial power. Much of the nation’s industrialization happened in the decades following World War I. Using an index of manufacturing, Japanese industrial production stood at 100 between 1910 and 1914. Between 1935-1938, the index stood at 600, reflecting the intense industrialization that had taken place over 25 years.

Textile industry opposition to reciprocal trade continued in 1935, when the State Department embarked on a year-long negotiation on a trade agreement with France and most of its territorial possessions. The CRI received statements of interest on 410 products involved in the negotiations, including requests for lower French duties and import restrictions on 280 American products. Textiles generated the largest number of comments to the committee, outranking chemical products, agricultural products, metals, sundries, and ceramics.


32 Summary of Information Received, “Report of the Committee for Reciprocity Information in Connection with the Negotiations of a Reciprocal Trade Agreement with France and its Colonies, Dependencies, and Protectorates Other Than Morocco: In Two Parts, August 1935” (hereafter “France Hearing Minutes”), Part 1: 3-4, RG 364, Box 252, NA.
American textile manufacturers also noticed, and quickly raised, another warning about the Japanese in CRI hearings: the Japanese textile exports that were flooding into the United States were also crowding out export markets for American textiles in the Caribbean and South America. The first such mention of this issue came in a pair of October 1934 hearings on proposed agreements with Haiti and Colombia, four months after the RTAA was signed and only weeks after the General Strike concluded. In the Haiti hearing, Henry G. F. Lauten, a representative of the NRA’s code authority for the cotton textile industry and a leading cotton fabric manufacturer and exporter as president of the Prince, Lauten Corporation in New York City, called attention to the export phenomenon in that nation. In 1932, Haiti imported no Japanese textiles; over the first eight months of 1934, however, the nation imported 15,000 “packages” of Japanese cotton textiles. American exports of “packages” to Haiti, meanwhile, plummeted from 13,859 in 1932 to 1,300 in the first eight months of 1934. Lauten also pointed to declines in exports of cloth, yarn, and hosiery between 1925 and 1934 to Central America and South America to show the United States could not keep a hold on those export markets. “It has become self-evident that under these conditions there is absolutely no further hope for this American industry to compete in foreign markets with particularly Japan manufacturing on the lower standards of conditions, much lower wages,” he said, suggesting American companies would have to cease their export business unless the agreements could help identify ways to save the domestic textile industry.33

In hearings on the Colombia agreement, William DeMin, a representative of the Textile Export Association, told of efforts by Japanese government and businesses to dislodge the American textile trade there. He warned that Colombian merchants feared the rise in Japanese imports would saturate their markets, lowering prices and eroding profits. “The bankers here do not welcome this Jap business but as long as they get the collections they do not mind where they come from. But they would like to [see] the white races keep their commerce in this country,” he wrote in a letter to the CRI. “If our Government is going to sit by and let other Governments help their business men to take the bread and butter out of our mouths then we might as well throw up the sponge and all we poor exporters go on the relief roll.”

American textile manufacturers’ concerns about tariff reductions and an increasing Japanese presence through imports and export market competition came as Japanese diplomats approached Hull several times to negotiate a trade agreement. Hull initially held out the possibility of an agreement with Japan, but had cooled to the idea by 1935 and refused to consider it. In one exchange, Hull criticized Japan for accusing the United States of using its trade agreements with Latin American nations to interfere with Japanese exports to the region.

34 Letter from William DeMin, “Stenographer’s Minutes of the hearing before the Committee for Reciprocity Information in Connection with the Negotiations of a Reciprocal Trade Agreement With Colombia, October 16, 1934” (hereafter “Colombia Hearing Minutes”): 79-83, RG 364, Box 315, NA.

35 Butler, Cautious Visionary: 42-45; 121; “Memorandum of Conversation Between Secretary Hull and the Japanese Ambassador, Mr. Matsuji Debuchi: Reciprocity Negotiations,” August 10, 1933; “Informal and personal Message from Mr. Hirota, Minister for Foreign Affairs, as Telegraphed to Mr. Saito, the Japanese Ambassador,” February 21, 1934; “Memorandum of Conversation Between Secretary Hull and the Japanese Ambassador, Mr. Hirosi Saito: Commercial treaty,” May 10, 1934; ”Memorandum of Conversation Between Secretary Hull and the Japanese
The 1936 Election and Reciprocal Trade: An Elite Consensus Forms

The fledgling RTAP contributed to Roosevelt’s 1936 reelection campaign, which was made difficult by the upheaval of the Great Depression that accompanied Roosevelt’s term and the setbacks the New Deal had encountered, especially in 1934 and 1935. Even with enactment of the Social Security Act and the Wagner Act in 1935, the Supreme Court’s invalidation of NIRA and the Agricultural Adjustment Act that year had slowed the president’s search for legislative fixes for the Great Depression. With the reciprocal trade program in its second full year, it was too soon to determine if trade had contributed to any economic recovery. The domestic textile industry was one of the more vocal industries in this regard, voicing concerns about increasing textile imports from Japan and Czechoslovakia.36

The textile industry’s concern over Japanese imports and the overall state of the industry was evident in a March 1936 conversation between Hull and Ambassador Hiroshi Saito, in which Saito opined “some small minor troubles” in trade had appeared to produce “misunderstandings” between Japan and the United States. Hull bluntly responded that Japan needed to curtail exports of goods to the United States that were “very combustible politically.” In doing so, Hull sent a signal of the importance of textiles, as part of the economic and political foundation of the South, to Roosevelt’s electoral coalition, and that the

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levels of Japanese exports were causing a great deal of consternation among an important constituency. If Japan did not agree to reduce its exports of such goods to the United States, Hull warned the United States could lose the trade liberalization program and Japan could risk higher tariffs in response.\textsuperscript{37}

For all his philosophical beliefs about the importance of lowering trade barriers, Hull was not blind to domestic politics, as evidenced by this conversation. He had demonstrated shrewd political sense in overcoming resistance from Roosevelt and his “Brain Trusters” to create the program, and by planning to gradually ramp up the trade agreements program to avoid inflicting political damage that could affect Democrats in the 1936 elections and, by extension, the program’s renewal in 1937. Aware of the worries the textile industry had about increasing Japanese imports, Hull sought agreements beyond the reciprocal trade program that would limit textile imports. Then, in 1935, the State Department and Japan negotiated an agreement to limit Japanese textile exports to the Philippine Islands, then an American possession, and sought a similar agreement that applied to the United States. When negotiations collapsed in May 1936, Hull thought to let representatives of the nations’ textile industries, rather than the governments of the United States and Japan, negotiate an agreement.\textsuperscript{38}

As the 1936 elections approached, the trade program became an issue in the campaign, when the Republican Party, in its party platform at its national convention that summer, demanded the repeal of the RTAA. Hull moved to

\textsuperscript{37} “Memorandum of Conversation Between Secretary Hull and the Japanese Ambassador, Mr. Hirosi Saito: Trade restoration; Japanese rebellion,” March 4, 1936, Hull Papers, Reel 30, LC.

place language in the Democratic Party platform citing the successes of the RTAA and trade policy, but Roosevelt cut Hull out of the drafting of the platform, which ultimately contained promises to protect American farmers and manufacturers. Yet Roosevelt would embrace Hull’s views on trade in a major policy speech in August 1936, after the Democratic convention.  

On the campaign trail in Minnesota and Wisconsin in late September 1936, Roosevelt’s Republican opponent, Alf Landon, attacked reciprocal trade. Landon said the program hurt farmers by lowering commodity prices and by robbing them of their domestic markets through imports. “It was bad enough for the administration agricultural program to lose us our foreign markets for meat and dairy products,” Landon told an estimated 10,000 people in Eau Claire. “But it was nothing short of economic crime for its ill advised system of reciprocal trade treaties to toss away our home markets like so much rubbish.” Instead of uniting public opposition to reciprocal trade, Landon’s attacks prompted Agriculture Secretary Henry Wallace and Hull to defend the program; Hull countercharged that opponents offered “nothing but a return to Smoot-Hawleyism” that would hamper efforts to revive trade.

In short order, Landon’s comments led members of what political scientist Thomas Ferguson has described as a “moneyed class” – a group found in organizations that were poised to benefit from trade expansion, such as investment and commercial banks and capital-intensive industries – to shift their support to Roosevelt. The “moneyed class” saw in the RTAP an effort to open


markets to trade and stabilize the dollar. By late October, this class was either throwing its support to Roosevelt or refusing to back Landon. Some 200 business leaders and Republicans, including Louis Boehm, a corporate and financial attorney and Republican counsel to the New York state legislature (who, nevertheless, crossed political lines to found the Republicans for Roosevelt League in 1932 and chaired the Foreign Trade League of the National Democratic Committee in 1936); James F. Hodgson, a commercial attaché at large to former Presidents Calvin Coolidge and Herbert Hoover; and B. J. Elmore, an export manager of the Studebaker Export Corporation, also came on board, endorsing RTAP and Roosevelt’s foreign trade policies in a Wall Street mass meeting.

“Governor Landon’s attitude on the reciprocal tariff issue was criticized by every speaker,” The New York Times reported on October 29. “They contended that if Landon were elected and Secretary Hull’s treaties were revoked, ‘there would be a revolution among conservative business men.’” Shortly after, Roosevelt captured a landslide victory, taking 46 of the 48 states and all but eight electoral votes. Landon, in retrospect, would link Hull and his reciprocal trade policy with the landslide defeat and expressed regret for attacking the policy: “I was for trade agreements before the campaign,” he said in 1937. “I am actively for them now. I have regretted what I did in the campaign against them.”

Roosevelt’s thorough victory in the 1936 elections was made possible, in part, by the creation of a “coalition of the comparatively advantaged” that supported RTAP. This coalition, which occupies a central role in Ferguson’s

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investment theory of party competition (in which economic elites take priority over other publics in setting public policy), included the oil and banking industries, as well as manufacturers who could benefit from greater international trade through increased exports. These groups were more likely to hail from industries with high barriers to entry. Outside this coalition stood more “disadvantaged” groups: farmers, workers (especially those in industries with low barriers to entry, which made both the worker and the industry more susceptible to disruption by lower tariffs and trade liberalization), and communities that were home to labor-intensive industries such as textiles. The Depression and the 1936 election had thrown advantaged and disadvantaged groups together into a larger New Deal coalition, alongside white ethnics, African Americans, and organized labor for the time being.42 This coalition of business interests (largely concentrated in the Northeast) and disadvantaged groups (largely concentrated in the South) could also be visualized in roughly geographic lines. In his analysis of regional competition and uneven growth as factors shaping American foreign policy amid great international developments, Peter Trubowitz argues that policies like reciprocal trade united the Northeast and South in a political coalition in the 1930s to address Roosevelt’s strategic international goals, displacing in the process an alliance between the Northeast and West that had existed since the 1890s.43

Although the textile industry and its workers may have resided outside Ferguson’s “coalition of the relatively advantaged,” it still wielded political and


economic power at home and abroad. On Christmas Eve 1936, seven weeks after the election, a group of American textile executives set sail from San Francisco to Japan, where they negotiated the “gentlemen’s agreement” with Japanese textile manufacturers that Hull had unsuccessfully sought a year earlier. The agreement, carried out with the unofficial blessing of Hull and the Japanese Embassy, was signed January 22. It limited Japanese cotton textile exports to the United States to a total of 255 million square yards over a two-year period. The import quota also applied to “transshipments” of Japanese cotton cloth shipped to the United States via third countries. The agreement imposed restrictions on material manufactured from cotton, such as tablecloths, bedspreads and gloves.⁴⁴

The American textile industry did receive some relief in response to its opposition to Hull’s trade agreements program. In 1945, the Tariff Commission reported that tariff reductions on cotton textiles and manufactured products were lower than the average tariff reductions made during this period, a sign that trade negotiators had taken into consideration the industry’s challenges, as outlined in studies and reinforced by the complaints of textile companies, workers, organized labor, and community representatives before the Committee for Reciprocity Information (CRI). Among the 15 tariff schedules, cotton textile tariffs were reduced by an average of 30 percent (only rayon and synthetic textiles, at 18 percent, and tobacco products, at 24 percent, saw a smaller

⁴⁴ “An Agreement With Japan,” *The New York Times*, January 28, 1937; Murchison, “American-Japanese Cotton Goods Agreement”: 273-274. The Hull Papers at the Library of Congress contain no formal mention of the “gentlemen’s agreement” in the segments dealing with Japan or with the domestic textile industry. The description of this agreement fell to Murchison, a former college economics professor and Commerce Department official during Roosevelt’s first term. In early 1937, Murchison was the president of the Cotton-Textile Institute trade group representing American textile manufacturers; in that capacity, he appeared repeatedly before the Committee for Reciprocity Information to oppose tariff reductions on cotton textiles.
reduction). In addition, while RTAP applied lower tariffs to 63 percent of all imports, this was true for just 37 percent of cotton textiles, one of the lowest proportions across the tariff schedules.  

After 1938, the RTAP would continue to take hold, despite continued opposition from protectionists. Its aims would shift with the United States’ involvement in World War II. Once an emergency program to generate “full and stable prosperity” and promote American “comfort and welfare,” as Hull described RTAP in 1934, it would become by the early 1940s a program to counterbalance any impulse to return to isolationism after the war and the “social and economic forces which have been mismanaged abroad until they have resulted in revolution, dictatorship and war.” Hull, citing health problems, retired as secretary of state in November 1944; by May 1945, with Roosevelt dead and World War II ending in Europe, the State Department would cite RTAP as a crucial element of American foreign policy, demobilization, and postwar reconstruction.  

Hull’s call for lower tariff and trade barriers did not go over well with all industries. In addition to the chemical and steel industry, which challenged the act creating the trade agreements program as it was moving through the Senate, textile industry executives sounded consistent notes of caution against the

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lowering of tariff barriers. As the RTAP continued to draw up and ratify trade agreements during the course of the 1930s, industry representatives, lawmakers from textile-producing states, and textile workers continued to warn federal officials that lowering tariff barriers could endanger their industry. But the program moved ahead despite their protests.

**Flawed Fabric: Textiles, the Rise of the CIO, and Labor Protest against Trade**

The General Strike of 1934 had highlighted not only the UTWA’s failure to build a lasting presence in the southern arm of the textile industry, but also the flaws of the NIRA, which was already being challenged in court. In May 1935, the Supreme Court would strike down the NIRA, and with it, Section 7(a), in the *Schechter Poultry Corp. v. U.S.* case.

By the time the NIRA was struck down, Congress was nearing passage of a new bill, sponsored by Senator Robert Wagner, a New York Democrat, aimed at improving enforcement of labor disputes that had plagued NIRA boards like that charged with overseeing the textile industry. The bill retained the language from the NIRA’s Section 7(a) that allowed workers to form unions. In May 1935, the same month the Supreme Court invalidated the NIRA, the U.S. Senate passed Wagner’s bill, known as the National Labor Relations Act (NLRA). Wagner’s bill in short order cleared the House and President Roosevelt signed it into law on July 5, 1935.  

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The Wagner Act, as the NLRA would be known, laid the groundwork for a massive organizing drive among elements of the labor movement who saw the potential for creating large unions among the nation’s industrial workers. The Committee for Industrial Organization got its start from delegates of the United Mine Workers of America (UMWA), then affiliated with the AFL, which sought in 1934 and 1935 to organize workers in mass production industries. The UMWA split from the AFL in 1935, accusing the federation of failing to organize mass production workers. By November 1935, eight unions, including the UMWA, ACWA, ILGWU, and UTWA, had agreed to form the Committee for Industrial Organization (CIO). Despite efforts by the AFL to dissolve it, the fledgling organization instead began organizing workers in 1936 in the rubber, steel, auto, and radio manufacturing industries. By year’s end, CIO Chairman John L. Lewis, the longtime UMWA president, would pledge in a nationwide radio address that greater union organizing would bring labor peace and generate greater economic security to be shared more broadly. “Not only the workers, but our nation and its entire population, will be the beneficiaries of this great movement,” he said.

The organizing effort rapidly extended to textiles, where Sidney Hillman, the president of the ACWA who was also a key ally of, and adviser to, Roosevelt,

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48 Committee for Industrial Organization, “The Committee for Industrial Organization,” n.d. [1937], Folder 25, Box 11, John Brophy Papers, American Catholic History Research Center & University Archives, Catholic University of America, Washington, D.C. (hereafter Brophy Papers, HRC-CUA). The eight unions forming the CIO, in addition to the UMWA, ILGWU, ACWA, and UTWA, were the International Typographical Union; the Oil Field, Gas Well & Refinery Workers; the United Hatters, Cap & Millinery Workers; and the International Union of Mine, Mill & Smelter Workers.

49 “Radio Address of John L. Lewis, President of the United Mine Workers of America, over the Red Network of the National Broadcasting Company, at Washington, D.C., Thursday, December 31 [1936], at 7:30 to 8 o’clock P.M.,” Box 11, Folder 24, Brophy Papers, HRC-CUA.
sought to build the nation’s 1.2 million textile workers into a powerful, militant force. In March 1937, with funding from the ACWA and ILGWU, the Textile Workers’ Organizing Committee (TWOC) was created to meet that goal. By October 1937, it had claimed to have both organized more than 450,000 members and reached union agreements with 905 firms employing 270,000 workers. The majority of these new members and agreements, however, would not be from the South.

The TWOC established six regional offices and prepared to send hundreds of organizers into the field nationwide to organize textile mills of all kinds – cotton, woolen, and silk – with the goal of producing better working conditions and standards of living for workers. Aided by UTWA President Francis J. Gorman, the leader of the 1934 General Strike, Hillman announced the TWOC’s intent to organize large manufacturers. While their goals included large southern cotton mills and New England textile centers, the big prize was the American Woolen Company, which CIO officials described as the “General Motors of the textile industry” – demonstrating that the TWOC expected a win there not unlike the United Automobile Workers’ (UAW) victory in Flint, Michigan, following their sit-down strikes.

The TWOC used the Wagner Act as a selling point to encourage textile workers to join the labor movement. “U.S. is for US!” read one of its leaflets.

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issued after the Supreme Court upheld the constitutionality of the Wagner Act in *National Labor Relations Board v. Jones & Laughlin Steel Corp.* in April 1937.

“Nothing can now stop the union drive of the Textile Workers’ Organizing Committee.” The ruling, which found that Congress had the power to regulate labor relations under the Commerce Clause of the Constitution, cleared the way for workers to organize under the Wagner Act.\(^{52}\)

But something did indeed stop the TWOC in its drive to organize southern textile workers: its own mistakes in the organizing drive with regard to the South, as well as the anti-union and social sentiment it found in the region. Textile workers in the South, where the industry was the largest, did not flock to the CIO, largely because of two major errors by the TWOC. First, it allocated 70 percent of its organizers to New England and the Middle Atlantic states, thinking that organizing momentum in those areas would carry over to the South. Second, the TWOC excluded communists and attempted to downplay its support of biracial unionism in organizing an industry that had largely excluded African American workers.\(^{53}\)

The TWOC campaign saw great success in New England: in the first six weeks of its drive, the TWOC signed contracts in the region with 48 mills

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\(^{52}\) Textile Workers’ Organizing Committee, “U.S. is for US!”, n.d. [ca. 1937], MSS1 (Amalgamated Clothing Workers of America, Local 125 Papers), Box 12, Folder 37 (Leaflets 1933-), SCUA-UMass; Bernard Kilgore, “Wagner Decisions May Open Way For Broader Industrial Regulation,” *The Wall Street Journal*, April 13, 1937. The *Jones & Laughlin* case removed obstacles to CIO organizing, despite rulings that outlawed the “sit-down strikes” that spread from the auto industry to other industries in 1937, deadly violence against strikers, and the CIO’s failure to organize Ford Motor Company and “Little Steel” – the smaller steel companies that competed with U.S. Steel. See John Brophy, “Labor Day Statement by John Brophy, Director of the CIO” (September 5, 1938), Box 18, Folder 25, Brophy Papers, HRC-CUA; Zieger, *The CIO 1935-1955*: 42-65; and “From Union News Service,” Brophy Papers, HRC-CUA.

covering some 18,000 workers. But in the region where textiles formed the
dominant industry, workers did not rush to join the CIO, despite the TWOC’s
claim in October 1937 that it was “breaking the solid southern opposition and
destroying the conspiracy to defeat organization.”

The TWOC continued to make its greatest gains in New England and the
Middle Atlantic, both regions where the ACWA and ILGWU had long been
established and, not incidentally, where workers had seen the industry migrate
southward and were concerned about losing their jobs in similar fashion. To be
sure, the TWOC enjoyed some signal victories in New England, including 25,000
workers at American Woolen plants through the region; the victory set the table
for collective bargaining and contracts for its workers. But a survey of surviving
TWOC organizing reports from June, September, and October of 1937 – a period
in which the drive was in full force – reflected the regional disparity. The TWOC
reached 42 agreements and organized 38 locals in the Middle Atlantic states of
New York, New Jersey, Pennsylvania, and Maryland. In the six New England
states, the TWOC organized 23 locals and reached 14 agreements. By
comparison, the TWOC only organized nine locals and reached four agreements
in the nine southern states stretching from Virginia through Louisiana.

Textile Workers’ Organizing Committee, “Progress in the South,” TWOC News Letter for
Regional Directors, October 15, 1937, Folder 23, Box 10, CIO Papers, HRC-CUA.

Textile Workers’ Organizing Committee, “From Union News Service,” n.d. [ca. 1937], Folder
16, Box 12, Brophy Papers, HRC-CUA; Textile Workers’ Organizing Committee, “Weekly Letter
for Regional Directors,” June 15, 1937; June 30, 1937; September 11, 1937; and October 15, 1937; all
in Folder 23, Box 10, CIO Papers, HRC-CUA. The New England states are Maine, New
Hampshire, Massachusetts, Rhode Island, Connecticut, and Vermont; the southern states are
Virginia, North Carolina, South Carolina, Georgia, Tennessee, Florida, Alabama, Mississippi, and
Louisiana.
For taking pains to avoid issues of race and communism in organizing southern textile workers, the TWOC was rewarded with a stunning failure. Just before the drive began, textile companies attempted to blunt the campaign by raising wages roughly 10 percent. Once the organizers went to work, employers ratcheted up the pressure. They harassed organizers and supporters, fired activists, forced workers who supported the TWOC from company-owned housing, and persuaded police to arrest organizers and clergy to denounce them. Organizers faced vigilante actions, expulsion from towns, and assaults. TWOC organizing in some areas was shadowed by marches and cross-burnings by the Ku Klux Klan, which morphed its traditionally anti-black, anti-Semitic, and anti-Catholic prejudices into new anti-labor and anti-communist varieties. In Greenville, South Carolina, a TWOC organizing effort soon met with hundreds of cards posted on telephone poles, billboards, and corners near the city’s Brandon Mill reading: “C.I.O. Is Communism. Communism Will Not Be Tolerated. The Ku Klux Klan Rides Again.”

By October 1937, when the CIO met in conference at Atlantic City, New Jersey, the TWOC could claim to have organized the third-largest CIO union. Likewise, CIO unions could take credit for building an industrial union with 3.8 million workers in its ranks. While the TWOC organizing effort had only reached one third of its goal of 1.2 million workers, the TWOC, nevertheless, was

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57 “The Committee for Industrial Organization,” n.d. [1937], Box 11, Folder 25, Brophy Papers, HRC-CUA.
the nation’s third-largest CIO union. With 450,000 members, it trailed only the 600,000-member UMWA and the 525,000 members of the Steel Workers Organizing Committee (SWOC). Another CIO union, the UAW, counted 375,000 members.58

The lack of response to the TWOC drive in the South reflected the dominant power of southern textile managers determined to thwart union organizing. But it also reflected the workers’ very real fear of ostracism, economic reprisals, or violence at the hands of vigilantes or the state – all of which mill workers had faced for their participation in the General Strike in 1934. Moreover, workers learned from the inadequate federal response to their complaints under NIRA and the reprisals they faced after the General Strike that the New Deal was not fully prepared to protect them. By 1937, they were likely to be just as skeptical, if not more, about another New Deal element: the Wagner Act. The TWOC, like other CIO unions, attempted to use the law’s passage as a clarion call in its organizing campaigns. But southern textile workers understood that, law or no law, they would have to face the daunting opposition of companies, vigilantes, police, clergy, and the Klan, all poised to harm them and push them out of the jobs they needed in the later years of the Depression.

Burned by the failure of 1934, wary southern textile workers remained reluctant to challenge their employers in the years immediately after the passage of the Wagner Act.

The failure of southern textile workers to organize successfully in the 1930s represented a missed opportunity that textile unions would not overcome

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58 “Membership of CIO Affiliated Unions,” n.d. [ca. 1937], Box 12, Folder 3, Brophy Papers, HRC-CUA.
for the rest of the twentieth century. When the CIO drives started, no other union – the UMWA, the UAW, the SWOC, or the United Rubber Workers (URW) – worked in an industry with the nationwide reach and numerical strength found in textiles. The lack of organizing in the South in the textile industry denied workers a voice in one of the nation’s largest industries and shifted the balance of power in the mills more firmly into the hands of the mill managers. In the South, where many mill owners were also among the region’s economic and political elites, the lack of unionization denied southern textile workers a chance to challenge the social, political, and economic status quo in the region.

The TWOC’s failure to organize southern textiles in any meaningful numbers is related to tactical errors, such as its decision to organize in New England first, and perhaps, as Robert Zieger has suggested, its choice to pass on the use of radical organizers out of a reading of the overwhelmingly white workforce and an assumption that southern textile workers were more conservative. A definite factor in the TWOC’s failure, however, is the continued opposition of textile manufacturers to unions despite the presence of the Wagner Act. The failure of the UTWA during the General Strike also registered with southern textile workers, as did the economic downturn of 1937-38. In comparison, other CIO organizers outside the TWOC built foundations for unions that were not shy about embracing militant tactics in dealing with supervisors or companies.59

59 Zieger, The CIO 1935-1955: 77-78. A prime example of a militant union influenced by radical politics was Local 22 of the Food, Tobacco, Agricultural and Allied Workers of America, which is best known for organizing African Americans who occupied some of the worst jobs at R. J. Reynolds Tobacco Company in North Carolina in the 1940s. Local 22 moved beyond collective bargaining with R. J. Reynolds to organizing tobacco workers elsewhere and building a political base for African Americans in Winston-Salem, N.C. See Robert Rodgers Korstad, Civil Rights
In other southern industries with biracial workforces, such as tobacco and steel, other CIO unions had success in the South by encouraging a biracial labor movement. The support these unions received, especially from African Americans, helped sustain the movement in the region. An embrace of biracialism in labor may not have helped the TWOC in the South in an industry that was overwhelmingly white; in fact, it was likely a prudent, but sad, choice given the ethnic makeup of the southern textile workforce and the open prejudice against African Americans. Radicalism, however, may have given southern textile workers a new reason to consider the labor movement. While it is debatable whether a radical approach would have opened a space for southern textile workers among the region’s elites in the 1930s, especially given the power of Jim Crow, it is clear that the TWOC’s decisions represented a missed opportunity to tap into remnants of the radicalism that did exist among some southern textile workers in the 1920s and early 1930s. A sustained radical movement in the New Deal South that rekindled the working-class activism among white textile workers and pressured federal officials into taking strong action to protect workers could have yielded solid gains for the TWOC alongside the gains their CIO contemporaries were realizing in other industries.

The lack of a labor presence in the southern branch of the textile industry also affected debates on trade policy that took place after the RTAA was enacted. In the agreements between 1934 and 1937, the textile industry (especially its southern branch) dominated testimony on how the lowering of trade barriers would affect its export business. That would change in the agreements of 1937.

and 1938 with Czechoslovakia and the United Kingdom. Those agreements came up for public comment during the TWOC organizing drive. For TWOC members in New England and particularly Massachusetts, where the cotton textile industry had been departing for the South for more than 70 years, the specter of additional low-wage international competition during an economic downturn in the late 1930s offered woolen and cotton textile workers a chance to act in defense of their jobs, industries, and communities. It also fit within the view, expressed by Janet Irons, that northern textile workers considered their southern counterparts as economic rivals.  

60 Irons, Testing the New Deal: 10.

The TWOC offered New England’s textile workers an organization through which they could express their concerns about trade, independent of and alongside any effort opposing trade liberalization that was undertaken by the industry or elected officials. By comparison, southern textile workers, only two percent of whom worked under union contracts, were absent from protests over RTAP trade agreements.  


Yet a curious pattern emerged in these protests. Labor’s involvement in protests against trade was almost exclusively limited to local officials, who were closer to their rank-and-file members. With the exception of Francis Gorman, national labor leaders, like Hillman, Lewis, or AFL President William Green, did not speak out against either agreement. Despite the protests of textile workers in communities like Lawrence, national labor officials, such as John Brophy, a leading aide to CIO President Lewis, were so focused on the threat that low-paid southern workers represented to the increasingly unionized New England mills.
that they evinced no concern about the potential threat of low-cost imports.

Brophy favored eliminating wage differences between New England and the South as a way of slowing the outmigration of what was left of the industry in New England. Brophy argued lower wages in different areas of the United States and improved transportation made the New England textile industry susceptible to competition from different regions of the country. To Brophy, a federal wages and hours bill (which would become the Fair Labor Standards Act of 1938) would help by equalizing wages on a nationwide basis instead of relying on state laws. In this manner, such a law would eliminate geographic differences that had promoted the textile industry’s continued movement from New England to the South. Furthermore, in early 1938 the TWOC was involved in several battles that may have made opposing trade liberalization difficult. In addition to its organizing drive, it was fighting wage cuts unilaterally imposed by mills throughout New England; suspending union leaders who accepted wage cuts without consulting the TWOC; struggling to keep disgruntled TWOC members in the fold, especially those in areas where the UTWA had been most organized and powerful; and beating back a challenge from former UTWA President Gorman, who was becoming increasingly critical of the TWOC. Hillman had envisioned a merger of the TWOC and the UTWA to form one massive industrial union covering the textile industry, but tensions arose between Gorman and the TWOC leadership in 1937 and 1938 over the TWOC’s handling of UTWA affairs. The dispute concluded with Gorman’s formal expulsion from the TWOC in early 1939. Instead of a merger between the two unions, Gorman opted to take a handful of UTWA locals loyal to him back into the AFL.  

62 Daniel, Culture of Misfortune: 106-124; John Brophy, “A Draft Speech for Delivery at Boston,
RTAP and Textile Industry Opposition, 1937-1938

While Congress had reauthorized the Reciprocal Trade Agreements Act in 1937, just on the heels of the “gentlemen’s agreement” brokered by the cotton textile industry to reduce Japanese imports, trade liberalization was far from universally accepted. Later that year and into 1938, a sharp economic slowdown triggered intense opposition to the federal trade liberalization program from the textile industry and labor groups. The slowdown, known as the “Roosevelt Recession,” began after Roosevelt’s treasury secretary, Henry Morgenthau, convinced the president to sharply reduce federal spending, especially on the New Deal relief and recovery programs. Roosevelt, who, like Morgenthau, sought a balanced budget, also wanted to convey the message that the New Deal had conquered the Great Depression. Instead, economic conditions deteriorated quickly. As 1937 gave way to 1938, unemployment rose, stock markets fell, and “exhaustion and paralysis” set in as the Roosevelt administration felt the Depression had instead triumphed, rendering the New Deal bereft of ideas for invigorating the economy. Critics saw Roosevelt as worried, lacking in courage and fight; others saw resemblances to Herbert Hoover, his predecessor, and wondered if his presidency would encounter the same economic fate.⁶³

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Textile industry, worker, and community opposition to the trade agreements in Roosevelt’s second term was most pronounced in a pair of agreements during 1937 and 1938 with Czechoslovakia and the United Kingdom, the broadest agreement the United States had carried out to date under the RTAP. Hull saw the United Kingdom agreement as a triumph and vindication for his trade program. Meanwhile, an agreement with Czechoslovakia, a longtime trading partner with the United States, held the promise of further increasing trade between the nations.\(^6^4\)

But negotiations took place against the backdrop of the economic downturn of 1937-1938, during which unemployment was rising in the textile industry. The economy was certainly foremost on the minds of many of those connected to the textile industry and who commented on the agreements. The economic downturn, coupled with textile executives’ existing worries about how Japanese imports would grow under the extension of trade preferences with other countries, intensified opposition to trade agreements in this period. Hearings for trade agreements with Czechoslovakia and the United Kingdom were punctuated by concerns that American textile workers would lose out to their lower-paid counterparts and that communities would lose what remaining industry they had left. “You will know that the American workman enjoys a plane of living which surpasses that of any other country in the world,” said Edith Nourse Rogers, a Republican member of Congress from Lowell, Massachusetts who, as a supporter of the textile industry, opposed the tariff

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\(^{64}\) “Negotiation of Trade Agreement With Czechoslovakia Contemplated” (State Department press release, May 6, 1937), RG 364, Box 286, Folder “May 6, 1937 – Negotiation of Trade Agreement With Czechoslovakia Contemplated,” NA.
reductions. “I do not believe that this committee wants to lower that standard of living.”

George J. Bates, another Republican member of Congress from Massachusetts, told the committee that an average textile worker in the United States earned 42 cents an hour for a 40-hour week, while a Czech textile worker earned 9 cents an hour for a 48-hour week. He opposed “the inclusion of those products into any trade agreement which will bring about the influx of any more foreign-made goods, with the peon labor of Europe or later the peon labor of Asia, to the end that our industries will become demoralized and unemployment will become more rampant, our relief costs will become more aggravated, and the problems of our taxpayers and our people in general will be very, very critical.”

Representatives from the cotton textile industry, such as Claudius Murchison of the industry trade group, the Cotton-Textile Institute, argued that the domestic industry had become so competitive that between 1926 and 1935, according to various government studies, the industry sold its products to the American public “at an aggregate price less than the cost of production.” Other opponents from the textile industry, such as J. G. Johnson of North Carolina’s Cannon Mills, argued that domestic producers could not compete with Japanese products on price. Johnson also told the committee members that Japanese competition had taken a toll on Cannon’s export business by 1937. “It is all gone practically,” Johnson said. “We export a little goods. It amounts to very little. We

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did have a very nice export.” Over the opposition of textile executives and community representatives, the Czech trade agreement was ratified in March 1938.67

Two weeks after the Czech agreement was ratified, the CRI opened hearings to gather testimony from people interested in commenting on a pending trade agreement with the United Kingdom and its colonies. Hull had considered this agreement with the nation’s largest trading partner to be the crowning achievement for his trade agreements program. It would also be the last major trade agreement for the program while Hull was secretary of state. The proposed agreement also marked the first time tariff schedules dealing with virtually all textile products had been opened for negotiations under RTAP.68

With the Roosevelt recession continuing to worsen, the CRI heard more testimony from textile workers, industry representatives and organized labor opposing the proposed agreement. The CRI also received a flood of petitions, postcards, telegrams and phone calls opposing “any concession whatever on certain items;” it estimated receiving nearly 50,000 comments over the four months preceding the hearings. Lawrence Mayor Walter Griffin told commissioners the 17,000 signed coupons clipped from local newspapers and sent in by area residents reflected the concern citizens had for the city’s industry, which “made a wonderful comeback from the depression days, and today they


are right back in the same gutter.” All told, more than 300 people attended the hearings, with about 75 participants testifying on cotton textiles and another 50 testifying on wool textiles. But Lawrence was not the only city that sent workers to Washington to protest: Employees at American Woolen plants throughout New England and in New York state sent another 8,000 protests. Petitions against tariff reductions came from 1,300 fluorite workers in Illinois and Kentucky, who mined and refined the mineral for use in glass, enamel, and jewelry manufacture; and from 2,000 furniture company employees in Massachusetts. About 1,000 citizens of Southbridge, Massachusetts, sent petitions protesting tariff cuts on optical goods, cutlery, and textiles, as did aluminum workers in Pennsylvania, lace curtain workers in New York, and teachers, merchants, and professional workers, mainly from New England, who sent “protests of a general character” against the agreement.69

The United Kingdom trade negotiations could not have come at a worse time for the textile industry. The 1937 “gentlemen’s agreement” with the Japanese had brought some relief, but the downturn later that year had caused new turmoil. Murchison told the CRI during the United Kingdom negotiations that the industry, suffering from overproduction since the early 1920s, now had an estimated 80,000 unemployed textile workers nationwide and another across the country; another 380,000 were working less than two thirds of a full workweek. Even with the reduced hours and extreme joblessness, he said, American textile workers made as much as 145 percent more than their British

69 “Summary of Information Received by Committee for Reciprocity Information Concerning United Kingdom,” March 1938, RG 364, Box 257, NA; testimony of Walter A. Griffin, “United Kingdom Hearing Minutes,” Volume 2: 288-289, RG 364, Box 323, NA; “United Kingdom Hearings Open March 14,” (Committee for Reciprocity Information press statement), March 7, 1938, RG 364, Box 257, NA.
counterparts, who had a 48-hour workweek. Such discrepancies pointed to the need for RTAP to “leave inviolate the cotton-textile industry, not for the sake of the industry only, but in the future interest of our entire foreign trade policy,” Murchison said.\footnote{Murchison, “United Kingdom Hearing Minutes,” Volume 4: 387-392, RG 364, Box 324, NA.}

John B. Clark, an industry representative from the Cotton Thread Institute, presented once again the argument that wages for American textile workers, averaging 52.9 cents an hour, were greater than the hourly wages of their counterparts in the United Kingdom (17.4 cents), Czechoslovakia (10 cents), and Japan (3 cents). “What is going to be the fate of our workers when they are faced with competitive labor conditions as described above?” he asked CRI members.\footnote{Testimony of John B. Clark, “United Kingdom Hearing Minutes,” Volume 4: 457, RG 364, Box 324, NA.}

Others, such as Fred Steele, a textile manufacturer from New Bedford, Massachusetts, where 17,000 textile workers were jobless, revived an old AFL argument used in the 1920s when he argued that lowering tariffs would effectively circumvent the Immigration Restriction Act of 1924. “If my memory serves me right, the phrase was used that [the immigration law] was to protect the American workman’s job from cheap coollie [sic] labor, or worse,” he said. “Now the proposal under this treaty is not to let cheap foreign labor in, but to let in the products of the cheap foreign labor which we believe will further take from our workmen their livelihood and from the people who have made the business possible, their investment.”\footnote{Testimony of Fred Steele, “United Kingdom Hearing Minutes,” Volume 4: 475-476, RG 364, Box 324, NA.}
Despite the near-total absence of comments from textile unions on the United Kingdom agreement, one TWOC official – Solomon Barkin, an economist, former New Dealer, and the research director for the fledgling union – did comment, arguing that the textile industry was being developed worldwide and that tariffs needed to be maintained at levels adequate to protect American workers from import competition. In addition to Barkin, a small collection of AFL unions also lodged a protest. The AFL’s tariff organization, founded in 1928 and called America’s Wage Earners’ Protective Conference, opposed tariff cuts. It argued lower tariffs would make American workers and industries more susceptible to low-wage competition – a view echoing the AFL’s endorsement of a protective tariff in 1881.\textsuperscript{73}

M. J. Flynn, the secretary of the AFL group, also questioned whether workers overall would benefit from RTAP trade agreements. Workers “are opposed to any policy the result of which transfers the job opportunities of American workers to workers in foreign countries,” he said. Under the treaties adopted under the RTAP to that point, workers had not benefited; instead, he argued, the winners were international bankers, industrialists in sectors with high barriers to entry, American concerns with plants in foreign countries, and “Economic Royalists,” especially those who shipped agricultural products to the United States from other countries. “The organized workers of America are alert to what is happening,” Flynn said, adding that his group opposed trade treaties

that allowed for the importation of products that undercut similar products made by American workers.\footnote{74 Testimony of M. J. Flynn, “United Kingdom Hearing Minutes,” Volume 2: 383-388, RG 364, Box 259, NA.}

Besides Flynn and Barkin, only one prominent AFL leader – UTWA president Gorman – was moved to take some action on trade, issuing a statement opposing tariff concessions one week before the hearings on the United Kingdom agreement began. The UTWA conceded Hull’s internationalist aims but protested the tariff cuts because it saw an “extremely dangerous condition” in the industry with mass unemployment and the industry’s movement to the South threatening the jobs of many in places like New England. Gorman argued that trade liberalization was also exposing American workers to compete with other workers subject to substandard conditions, such as lower pay or longer hours. Outside of this limited protest, AFL officials would not even broach the issue of trade agreements until early 1940, five and a half years after the RTAA was enacted.\footnote{75 Statement of Francis J. Gorman, March 8, 1938, Box 461, Folder 1597, United Textile Workers of America Papers, Southern Labor Archives, Special Collections and Archives, Georgia State University Library, Atlanta (hereafter UTWA Papers, Southern Labor Archives, GSU); letter from (John Green), American Federation of Labor, to Charles Forney, Princess Anne Clothespins, Inc., January 15, 1940, Record Group 21 (AFL Legislation Department Records), Box 51, Folder 33, George Meany Memorial Archives, National Labor College, Silver Spring, Maryland (hereafter RG 21, GMMA, NLC). The George Meany Memorial Archives have since been relocated to the University of Maryland, College Park, and are now known as the George Meany Memorial AFL-CIO Archive.}

As had been the case with each of the RTAP trade agreements, opposition and limited protests in a handful of communities, such as in Lawrence, failed to block the United Kingdom trade agreement, which was ratified in November 1938. The new agreement contained reduced tariffs by an average of 25 percent
on 40 types of cotton textile products, including yarn, cloth, apparel, lace curtains, and miscellaneous cotton products.\textsuperscript{76}

\textbf{World War II: A Temporary Palliative for Textiles and Labor}

World War II appeared to change the fortunes of both the textile industry and the status of the industrial labor movement. Wartime demands for materiel rose with the arrival of conflict in late 1939; with the United States’ entry into the war in late 1941, demand increased further for goods and labor to make up for the workers who entered combat. The need for materiel for American and allied forces, and the absence of millions of Americans from the civilian workforce during wartime, ended many of the woes of overproduction and a soft economy that had plagued the textile industry for years.

Still, those changes were a palliative for the industry; the underlying causes of the textile industry’s relative weakness still remained. The war demand made the industry less susceptible to import competition, and the conflict itself devastated the textile sectors of nations like Japan, who in the 1930s had vexed American manufacturers because of its aggressive entry into the United States and Latin America. Other structural problems included the continued use of old machinery and a wage differential that refused to go away, highlighting the weakness of southern textile unions and encouraging the industry’s continued move south from New England. In 1934, despite a spread of 2.5 cents in the industry’s hourly minimum wages (30 cents in the South versus 32.5 cents in

New England), low wages prevailed in the southern branch of the industry: in August 1934, 35.2 percent of southern textile workers earned less than 32.5 cents an hour; by comparison, only 2.4 percent of their New England counterparts earned less than 35 cents an hour. By 1945, even with War Labor Board attempts to close the regional gap, the industry’s hourly minimum wage ranged from 52 cents to 55.5 cents in New England and between 40 cents to 50 cents in the South.77

Similarly, the war and the military buildup that preceded the United States’ entry into the conflict improved the standing of workers, many of whom found employment in the plants producing goods needed for the buildup, where they enjoyed steady employment and drew higher wages on a regular basis. Industrial unions also benefited from the buildup and the war: the buildup allowed the CIO unions like the UAW, the USWA, and even the UMWA to add an estimated 1 million workers in the 18 months between June 1940 and December 1941. The new recruits gave these unions new growth in this period, stabilizing them as they won recognition at previously recalcitrant employers: for instance, the UAW finally organized the Ford Motor Company in 1941, and the USWA organized companies like Inland Steel, Bethlehem Steel, and Republic Steel. In 1939, 1.8 million workers were in CIO unions; by 1944, membership had more than doubled, to 3.9 million, a figure that takes into account the loss of 600,000 miners when John L. Lewis took the UMWA out of the CIO and back into the AFL in 1942.78


The conflict revived the fortunes of the industrial labor movement, which had reached a lull after the CIO drives of the late 1930s. With millions of Americans now in distant theaters of war, industries on the home front desperately needed workers to generate the massive wartime production demands. Organized labor leaders, spotting an opportunity, sought representation alongside business and government in the leadership of various wartime agencies.

Labor was also involved in a conference with business leaders ten days after the United States’ entry into World War II, convened by President Roosevelt for the purpose of outlining industrial cooperation during the war. The conference yielded two pledges for the duration of the war – a “no-strike” pledge from organized labor, and a concurrent pledge from management not to lock out workers. Finally, the attendees agreed to a new federal entity – the National War Labor Board – comprised of a dozen individuals from labor, business, and the public – to address labor disagreements that could not be settled through normal channels. In the National War Labor Board, Emil Rieve, the president of the TWUA, served as an alternate appointee of organized labor, joining other members of labor as George Meany, then the AFL’s secretary-treasurer, and UAW President R. J. Thomas. In other wartime agencies, like the War Manpower Commission, the Office of Price Administration, and the War Production Board, textile labor did not have much of a presence, reflecting its inability to develop a voice in the labor movement in the 1930s and 1940s.

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The leverage the industrial union movement might have lost by taking its “no-strike pledge” during World War II was counterbalanced by a massive upsurge in overall union membership. Having agreed not to strike, unions won the “maintenance of membership” principle from the NWLB in a decision involving a contract between the TWUA and textile plants operated by Marshall Field and Company. Under this principle, the millions of workers who came to work in wartime manufacturing plants where a union existed were automatically inducted into union membership unless they opted out at the time of their hiring. Maintenance of membership helped swell the ranks of organized labor, from 9 million workers before the war to 15 million in its aftermath. As a result, manufacturers in industries other than textiles tended to relax anti-union sentiment in this period, content to pass on the cost of union organizing and collective bargaining through the “cost-plus” contracts between the federal government offered to wartime contractors. 80

Yet while unions in the mines, steel mills, auto plants and shipyards realized enormous wartime gains, these gains did not carry over into textiles, especially in the South. The TWOC and its successor organization, the Textile Workers Union of America (TWUA), saw its ranks increase from 83,000 to 216,000 between 1939 and 1944, becoming the dominant union in the textile industry. The overwhelming majority of this growth, however, was in New England and the Middle Atlantic, and in other sectors outside cotton textiles: the carpet and rug industry; synthetic yarns, silk and rayon, hosiery, dyeing and

finishing plants; and woolen and worsted mills in New England and New Jersey’s Passaic Valley.\textsuperscript{81}

Where most important cotton mills in New England were brought into the TWUA fold by the end of 1943, the TWUA only had 70,000 members in the South by war’s end, representing one sixth of the region’s cotton textile workers in the South. Chains like Burlington, Cannon, Cone, and Deering-Milliken either resisted union organizing or allowed minimal concessions that effectively delayed the prospect of organizing. The TWUA’s single largest breakthrough in the South during World War II would be organizing the 13,500 workers at the Riverside and Dan River cotton mills in Danville, Virginia, in 1942, through a campaign led by TWUA organizer George Baldanzi. The TWUA, emboldened by this victory, embarked on similar campaigns in South Carolina, Georgia, Alabama, targeting a combined 350,000 textile workers in the three states. It followed suit in North Carolina, with more than 200,000 textile workers alone. By war’s end, worker reluctance to unionize and fierce mill resistance to unions had taken their toll as mills repeatedly violated NWLB edicts and NLRB rulings or used their influence on wartime boards to minimize wage increases sought by labor. The TWUA added just 13,000 members in all of North Carolina, and just 12,000 workers in Alabama, Georgia, and South Carolina combined. In the words of historian Clete Daniel, “The TWUA was a northern-based union before the war, and it was even more emphatically a northern-based union when the war ended.”\textsuperscript{82} The TWUA’s geographic imbalance, as well as its failure to organize


\textsuperscript{82} Daniel, \textit{Culture of Misfortune}: 141-144; Lichtenstein, \textit{Labor’s War at Home}: 210-212; Zieger, \textit{The CIO 1935-1955}: 170-177.
southern textiles, condemned the union to a position of impotence with employers and among its fellow industrial unions.

The failure of the TWUA to capitalize on wartime conditions to accomplish the unionization of the South owed much to the weakness of federal labor protection in the region. No conflict more clearly illustrated this weakness during World War II than the one that played out in the small upstate South Carolina town of Gaffney, where the Gaffney Manufacturing Company, part of the New York-based Deering-Milliken chain, successfully repulsed both TWUA Local 269 and federal authorities, from the White House down, who tried to help the union.

Wartime conditions led the mill workers of Gaffney Manufacturing, which made cloth and bandage gauze, to believe that a breakthrough was at hand. TWUA successfully organized Local 269 during the war. But it was unable to get the company to agree to a union contract, despite the intervention of the NWLB. In 1944, the mill’s management refused to accept an NWLB-endorsed contract that included two key union security provisions that were common in other wartime plants under the purview of the NLWB: a “dues checkoff” clause that required the company to withhold union dues from its workers’ paychecks, and a “maintenance of membership” provision that kept new and existing workers in the local for the duration of the contract. The company’s refusal to abide by the NWLB’s rulings in favor of the proposed contract continued until May 1945. Local 269 struck on May 14, and two weeks later, President Harry S. Truman
issued Executive Order 9559, ordering War Secretary Henry L. Stimson to seize and operate the plant. Even this did not break Gaffney Manufacturing’s resistance. The War Department operated the plant for just over three months under its wartime emergency powers, yet the management still refused to honor the “maintenance of membership” clause in the contract. Once Japan surrendered in August 1945, Truman issued Executive Order 9603 releasing the plant from federal control, and the War Department formally returned the plant to Deering-Milliken on September 9, 1945. The underlying dispute over the NWLB contract was still unsettled, however, and the TWUA local resumed its strike two days later in an attempt to enforce it. The TWUA local struck Gaffney Manufacturing for 22 months, to no avail: Deering-Milliken simply closed the plant and reopened in April 1946, with the help of 180 strikebreakers who braved as many as 700 picketers outside the plant. Over the following year, the company slowly added


strikebreakers until it could operate two shifts, and by July 1947, the TWUA abandoned the strike and the local.85

The Gaffney strike revealed both the dependency of southern textile unions on the federal government and the weakness of federal labor enforcement power in the region. In this case, the managers at Gaffney Manufacturing simply defied the NWLB, the National Labor Relations Board, and even President Truman and the War Department. Despite a plant seizure and operation by the federal government to keep the plant in production, the company continued its opposition to union security provisions. As part of a chain of mills, Deering-Milliken closed the plant during the strike, shifting production to other mills while the company obtained an injunction to limit picketing outside its gates. It then waited out striking workers before replacing them with strikebreakers, taking away the union’s use of strikes as a tool to negotiate a settlement with management. Finally – and more importantly – the entire episode laid bare the weakness of the Wagner Act and the NLRB in checking companies’ anti-union activities in the South. The episode would provide other textile companies and executives a blueprint for thwarting organizing drives, one that would be aided by the passage of the Taft-Hartley Act in 1947 (the “right to work” provisions of which also attacked union security provisions). The Gaffney blueprint would be put to good use when the CIO launched its “Operation Dixie” campaign in an effort to organize the South after the war.

The near-total denial of union representation in the textile mills of the region meant that textile workers had virtually no unified independent voice to raise on issues of importance to their industry. Unlike their counterparts in New England and in the woolen industry who were vocal about tariff cuts and trade liberalization, the unorganized mass of southern workers were voiceless on issues of importance to their industry or jobs. Lacking an independent, militant force operating on their behalf, their absence would in time deprive textile manufacturers of a potential ally they would need in later years while fighting for protection from foreign competition.

While textile labor struggled to build a strong union in the South, the industry as a whole thrived on wartime demands and contracts. “The war has had a spectacular effect on the volume of activity in the cotton textile industry,” Murchison, of the Cotton-Textile Institute, said in a 1943 address to the National Industrial Conference Board. Before 1939, Murchison said, the industry considered a typical annual level of consumption to be around 6 million bales (each bale weighing 500 pounds). By 1942, consumption was nearly double that rate. “Within the limits of physical equipment and available manpower, the industry is operating at maximum capacity and in every possible way striving to increase its output,” he said. Murchison further estimated that the number of workers in the cotton textile industry had increased from 340,000 to 520,000, with fewer experienced employees in the workforce and women comprising most of the new entries. He estimated the proportion of women in the industry’s

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the workforce had also increased from 40 percent before World War II to greater than 60 percent by the end of 1943, with the possibility of going even higher by the war’s end.  

Murchison forecast a busy period for trade following the war because of the need for exports to help nations rehabilitate from the conflict. The federal government would need to provide a framework for foreign trade while nations affected by the war restructured their foreign exchange and domestic currency systems. But he warned that the cotton textile industry, unlike other domestic industries, would struggle to compete with its lower-wage international counterparts if Hull’s philosophy of lower tariffs and increased international trade were to prevail among federal policy makers and the American public in the postwar world. In addition, American textile manufacturers paid up to double the prices that their foreign counterparts paid for raw materials and paid labor costs that ranged “from 100 per cent to 1000 per cent higher,” in his words. “The cotton textile industry of the United States cannot live without substantial tariff protection and I believe this is equally true of the woolen and rayon divisions of the industry,” Murchison stated. “To those who know international cost relationships in textile manufacture, the current talk of diminished tariff protection for textiles is sheer hocus pocus; made irrelevant and nonsensical by the domestic policy which the American people themselves have created.”

By the end of the conflict in 1945, the domestic textile industry was in a commanding position, emerging unharmed from the war and holding a

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87 Murchison, “Planning in Manufacturing Industries,” May 26, 1943, NICB Papers, ACC 1057, Box 1, HML.

88 Murchison, “Planning in Manufacturing Industries,” May 26, 1943, NICB Papers, Acc 1057, Box 1, HML.
competitive edge against their overseas counterparts. By contrast, the war decimated the textile industries in Europe and especially Japan, which had been one of the world’s leading textile producers during the 1920s and 1930s. World War II destroyed more than 75 percent of Japanese textile capacity. 89

As the war began to wind down, the United States and its allies took the lead in assembling the infrastructure for a global economy, albeit one in which these nations could insulate themselves from growing foreign trade. In 1944, the allied nations met at Bretton Woods, New Hampshire, to establish the International Monetary Fund (IMF), an organization designed to keep a stable system of international monetary exchange. The U.S. also played key roles in setting up the General Agreement on Tariffs and Trade (GATT) in 1947 and the World Bank (1948), helping create a global system intended to create a “development project” for replicating American industrial development elsewhere in the world, regulated by trade and monetary policy. Organized labor did not participate in the formation of the IMF, World Bank, or GATT, which was designed to promote liberalized trade, mostly through a reduction of tariffs and the continued use of the “most favored nation” principle. 90 Just as the lack of worker voice had limited organized labor in the textile industry, especially its southern branch, in resisting the lowering of trade barriers in the 1930s, the pattern would be replicated on a global scale. The lack of organized labor’s involvement in the founding and operation of these multilateral organizations


and agreements would relegate labor to responding to global trade liberalization decisions instead of participating with representative of capital and the state in shaping that policy.

The war reshaped the industrial labor movement as well as the domestic textile industry. Yet it did not address underlying problems. The TWUA had organized but a fraction of textile workers in the region where the bulk of the industry lay. Even as industrial unions like the UAW, the USWA, and the UMWA grew to become powerful partners with industrial giants in shaping the course of their respective industries, the TWUA would have no similar luck. It would continue efforts to organize the South, to no avail. At the same time, the textile industry was in a position of strength, although it was artificially imposed. Nations like Japan and Czechoslovakia, which had concerned textile companies and workers about import competition in the 1930s, were devastated, their textile sectors ravaged. World War II had placed the United States in a position of economic dominance likely unrivaled in history: in the late 1940s, the nation, with 7 percent of the world’s population, accounted for nearly half the world’s manufacturing output and controlled 42 percent of global income. Its workers produced 57 of the world’s steel, 43 percent of its electricity, 80 percent of its automobiles, and 62 percent of its oil.91

Having endured the deprivation of the Great Depression, Cordell Hull and the Reciprocal Trade Agreements Act had sought in the 1930s to link the United States with its hemispheric and European allies, achieving this goal over the vocal opposition of workers in industries like textiles, as well as the

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politicians representing areas with import-sensitive industries. For the free traders in the administrations of Franklin D. Roosevelt and Harry S. Truman, the war’s conclusion – coming shortly after Hull’s retirement in November 1944 – was not an opportunity to lift nations out of the depression, as Hull had envisioned in the 1930s. Rather, trade would become a tool of speeding the economic recovery of the world’s nations while preventing the potential for political unrest.

Even in an industry as troubled as textiles where the world war had not solved all of its problems, the war did present opportunities for recovery from the woes spelled out in the Roper Report of 1935. In defeating Japan, the allied forces devastated much of the nation’s industrial sector and knocked out a prime competitor. Less than a decade after it became the first industry selected for an industrial code under the National Recovery Administration because of its instability, war production demands stimulated textile production and employment. As the war ended, the conversion to a peacetime economy also held promise for textile production: much of its output during the war was diverted to wartime uses; meanwhile, civilian consumers who were forced to ration, economize, and cut back on purchases during the conflict were no longer constrained by such limitations. Textile manufacturers were still wary about tariff reductions, but held out hope that the growth and stability the industry experienced during the war would continue in peacetime.

For the industrial labor movement, the end of hostilities concluded a decade of momentous change. The schism within the AFL in 1935 that created the CIO, and the endorsement of unionization and collective bargaining offered that same year by the Wagner Act (with the blessing of the New Deal) produced
a surge in unionism, anchored largely by growth in the nation’s industrial sector. Yet, as has been described above, this strength was not felt in the southern branch of the textile industry, where manufacturers had taken advantage of worker quiescence and organizers’ tactical errors to exercise control over the region’s mills and workforce. This failure represented a victory for manufacturers that, in time, would come back to hurt the industry.

Conclusion
The New Deal had attempted to pair worker protection policies with growth-stimulating trade policies to help workers. But that effort was flawed from the start, especially in the South. The failure of the General Textile Strike, which followed hard on the heels of Roosevelt’s signature on the Reciprocal Trade Agreements Act in 1934, ensured that southern textile workers would never enjoy the degree of protection won by workers outside the region. Neither the enactment of the Wagner Act and the Fair Labor Standards Act, nor the wartime revival of the industry and the emergence of a pro-union federal war labor policies appreciably changed the balance of power in the southern textile industry. Thus, as the United States emerged from World War II, it followed a trade policy that was driven by presidential priorities rather than by deal-making between industries and members of Congress, a policy over which textile workers in general had little influence, and southern textile workers had no say.

In 1937, New England textile workers had first raised the alarm about the threat to their jobs represented by foreign imports. But they had never been able to build a national union organization capable of defending textile workers’ interests in their troubled industry, which was riven by deep regional differences
and overproduction. In comparison to autos and steel, which were centered in a handful of cities, the textile industry stood alone in its broad dispersal across regions of the United States – in small towns and big cities, in New England and the South. The TWUA never established a meaningful presence in the South, the region where the industry was still growing. As the war ended, its base in New England and the Middle Atlantic states was in steady decline as the movement of shops to the non-union South continued.

Wartime prosperity temporarily obscured how poorly the New Deal had woven policies promoting trade expansion with policies protecting workers’ security and right to a collective voice. Increased demand lifted the industry out of its slump and raised wages. But as a victorious nation prepared to move beyond nearly two decades of economic crisis and global conflict into an era of peace and prosperity, workers and the textile industry would soon face a new and more challenging world.
CHAPTER II

As World War II came to a close, the New Deal principles of worker voice and trade liberalization continued to diverge, providing a dark undercurrent in a new peacetime period where widespread prosperity seemed within reach after nearly two decades of economic downturn and international conflict. The U.S. government, through several multilateral organizations it had a hand in creating, was working to reshape the world in a more peaceful image. It also used the reciprocal trade program to encourage trade as a means to boost foreign imports and reduce the nation’s trade surplus. This principle tapped into a new philosophy of the trade program as “an indispensable part of the foundation of any stable and durable peace,” as Franklin D. Roosevelt had described the program in 1940.¹ These changing objectives of the reciprocal trade program – from an emergency measure for U.S. economic recovery from the Depression to a tool of international recovery from World War II – show it was not fully formed when created in 1934, but instead “evolved from a mix of strong executive and congressional leadership and ad hoc responses to particular pressures,” as I. M. Destler states.²

The first decades of the postwar period allowed the United States to exercise its might in creating a more globalized economy and to withstand economic challenges in the early years of the Cold War.³ In the United States’

textile industry, its unions continued to struggle to organize workers, much less thrive during the war. Their fates stood in direct contrast to other industrial unions, which grew thanks to the NLRA and wartime protections, such as the National War Labor Board, that encouraged labor peace on behalf of the defense effort.

This chapter argues that the fabric of worker security continued to fray following World War II. The United States, in emerging from the war as a superpower, emphasized trade liberalization as a means of achieving an international recovery. At the same time, labor protections continued to weaken, notably with the Taft-Hartley Act, and textile unions tried and failed yet again to make inroads in the South with Operation Dixie. As the demands of wartime production came to an end, the textile industry found itself experiencing the same cycles of boom and bust that existed in the 1930s. Combined with the international recovery effort, industries such as textiles soon faced challenges at home and abroad, prompting efforts among labor officials and politicians to aid the industry.

Cycles of Boom and Bust: Textiles in the U.S. After World War II

The end of World War II led to a short-lived period of optimism, as evidenced by a letter Sidney Hillman, the founder and longtime head of the Amalgamated Clothing Workers of America, received in October 1945 from President Harry S. Truman. In the letter, an invitation to Hillman to represent the CIO in a labor-management conference the following month, Truman spoke of

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an effort “to establish long-term policies which will make possible better labor and management relationships in American industry. If this conference is successful, we will be able to speed up reconversion, and will lay the foundation for what I sincerely hope will be the greatest era of industrial progress in the Nation’s history.” The conference, however, did not deliver on that optimism; in fact a stalemate between labor and capital ensued over who would hold the balance of power in labor-management relations in the postwar era. The result of the conference outlined both the limits of labor’s gains in wartime and the limits of its gains to follow.⁴

The years between 1945 and 1960 marked a period when the intersecting policies of labor voice and trade liberalization – already weak when created in the New Deal – continued to fray under the weakening of labor protections and the continued promotion of trade. From a position of international dominance at the end of the war, the textile industry in the United States would be confronted by numerous serious challenges by 1960. Increases in productivity could not mask employment declines caused by industry consolidation, automation, or economic downturns. These factors converged to produce economic decline in communities from New England to the South, with hundreds of thousands of surplus workers in need of new jobs. Also, as the 1950s progressed, imports resurfaced as an issue for the first time since the Depression, leading textile and apparel unions, and a growing number of members of Congress, to call for measures to aid the industry. Such measures, however, were a tough sell to

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Congress, the presidential administrations of both Harry S. Truman and Dwight D. Eisenhower, business communities, and much of the organized labor movement. These entities viewed lower trade barriers as a way to increase American prosperity and generate international peace, especially as the Cold War took shape. The viability of the textile industry emerged as an important political issue by 1960, as both John F. Kennedy and Richard M. Nixon vigorously pursued the votes and interests of textile owners and managers in the presidential race of that year.

American postwar redevelopment programs provided a source of international competition to the textile industry, in part because those programs embraced trade as a strategy to help nations build basic industry while serving a Cold War goal: thwarting the spread of communism. These programs also gave textile and apparel unions international exposure by way of their participation in Point Four (the technical assistance programs for developing nations described by President Truman in his 1949 inauguration address; the program was the fourth foreign policy objective described in the address) and U.S.-led reconstruction programs. Textile and apparel unions’ international visibility as American ambassadors for free, noncommunist trade unions directly contrasted with their loss of influence in the United States through the Taft-Hartley Act and the CIO’s purge of 13 of its unions suspected of harboring communist leadership in the late 1940s. Labor’s influence in the textile industry in this period was further reduced by its inability to organize southern workers through Operation Dixie. Battles between the Textile Workers Union of America and the United Textile Workers of America, as well as a disastrous 1951 textile strike by the TWUA in the South, effectively ended the potential for labor to have more than
token influence in the region where textile companies were concluding a century of migration from the New England states.

The domestic textile industry emerged from the war facing pent-up public demand for its products. During the war, according to a leading New England textile executive, much of the industry was tied up in producing war materiel on government contracts. “This created a tremendous shortage, so that when the mills again returned to civilian production, after World War II, the demand far exceeded the supply and for the three years following V-J Day all mills operated at full capacity, and prices were sufficiently high to permit the New England mills to make a profit in spite of the lower costs of their Southern competitors,” the executive wrote.5

Output in the textile industry surged in the two full years immediately following the war’s end, driven by worldwide shortages of cloth and American consumers looking to buy new clothes and home furnishings. The textile industry, unlike many other industries, also did not have to retool production to meet peacetime demands, and manufactured products that were immediately in demand. In 1948, the TWUA reported that the preceding two years were marked by “intense activity in the textile industry.” The industry employed 1,247,600 workers in January 1946; by November 1947, that had increased 10.6 percent, to 1,379,500 workers. Workers were more likely to maintain a 40-hour workweek, and many plants expanded to run production around the clock in three shifts.

The increased activity drove domestic production of cotton broad woven goods

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upward, from 8.7 billion linear yards in 1945 to an estimated 9.75 billion linear yards in 1947. Still, the frenetic production struggled to satisfy years of pent-up demand. “The diversion of more than 20 billion yards of cotton goods to war use and export from 1942 through 1945 left a backlog of consumer demand which has yet to be filled,” the TWUA reported, estimating that domestic consumption at 1937-1938 levels would have consumed 13 billion yards of cotton goods beyond what was available during wartime. “After two years of high-gear production most branches of the industry were still hard-pressed to satisfy the huge demand for their products.”

For years, the textile industry had been known for its relatively fragile state. In the 1930s, the Roper Commission and the Winant Board documented overproduction, low wages, and fragmented ownership as factors leading to boom and bust cycles in the industry. The textile boom during and immediately after World War II seemed to dissipate that reputation. In a January 1948 report documenting the economic performance of textile companies from 1929 to 1947, the TWUA called textiles “the nation’s most prosperous industry” in comparison to its position before World War II. In 1947 alone, the industry’s pretax profits reached $2 billion, an amount nearly 11 times larger than the industry earned in 1939 and equal to the total profits the industry earned from 1929 to 1942; its pretax profit showed a return of 47.6 percent on investment, far higher than the 28 percent return on investment for the manufacturing sector overall. “No matter which measure of profitability – total profits, ratio to investment or sales, before

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or after taxes – is used; no matter which base period is employed for comparison; textile profits are phenomenally high,” the TWUA reported. But the industry’s newfound profitability would not improve labors’ chances of organizing southern textiles, as the CIO would soon find out.

“You Won’t Starve Me Again”: Operation Dixie’s Collapse in the South

The industrial labor movement had hoped to build on its successes since 1935 and strength following World War II by mounting a massive organizing campaign to build up its numbers, especially in the South, where unions saw room to grow. In 1946, the Southern Organizing Campaign, also known as Operation Dixie, got under way with an eye to organize hundreds of thousands of new textile, lumber, and tobacco workers.

The campaign failed to pull off any milestone organizing victories and was weakened by the passage of the Taft-Hartley Act over President Truman’s veto in 1947. Other factors played a role in Operation Dixie’s failure. Mill owners resisted the organizing drives, often using unions’ connections to communist and radical elements or devotion to civil rights to defeat organizing campaigns. Sometimes, owners simply raised the specter of outsiders coming in with intentions of getting between mill owners and workers. “Who are the men who run this union anyway?” wrote one North Carolina mill owner to his largely white, Protestant workforce the CIO sought to organize in the fall of 1948. “I will name some of its chief officers to you – Baldanzi, Rieve, Chupka, Genis, Jabor,

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7 Research Department, Textile Workers Union of America, “The Nation’s Most Prosperous Industry,” January 1948, pp. 2-6, FS 100 (Solomon Barkin Papers), Box 6 (Bound Notebooks 1945-1949), Special Collections and University Archives, W. E. B. Du Bois Library, University of Massachusetts Amherst (hereafter SCUA-UMass).
Knapik, Rosenberg. Where do you think these men come from? Are their backgrounds, their up-bringing, their viewpoints, their beliefs, their faith, their principles, anything like yours and mine?"^8

In addition to facing red-baiting and race-baiting, organizers failed to understand and connect with southern workers’ conception of religious salvation. Sometimes, when CIO organizers tried religious themes, as in the pamphlet “The Bible and the Working Man,” they attempted to draw parallels between the collective themes of religious salvation and unionism, a point of view that failed to resonate with workers who instead saw religious salvation on individual terms rather than collective ones. Workers may also have found the implied equation of a union with organized religion distasteful.

Finally, Operation Dixie did not succeed because it took place during a period in which unions were heavily criticized for a strike wave in 1946 that preceded Taft-Hartley (enacted as a corrective to union overreach, in the eyes of its supporters) and because it came during a period of relative prosperity for the textile industry and its workers, a time where many workers, especially in the South, felt they could do without the aid of a union. With employees enjoying a good economy for the first time since the Depression, they were eager to put the disheartening failures of that period – including the General Strike of 1934 – behind them as well.

Others were receptive to employers’ arguments that unions only sought to organize workers to collect union dues that supported labor leaders. This

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argument resounded strongly with a mill worker from Inman, South Carolina, who previously had an unspecified encounter with unions that left the worker bitter and defiant toward Operation Dixie. “I have been working here for 7 years and don’t want any part of your union,” wrote the worker, who signed the letter as “a union hater – did you get that – a union hater”:

You think I am going to help you keep up your dam high officials, that’s all you want. I liked to starved to death at Brandon Mill in Greenville a good many years ago and you won’t starve me again. … All you want is those dues and you are getting them from the ignorant people, not me any more.⁹

The opposition of southern textile owners to Operation Dixie, combined with the reluctance of their workforces to embrace unions, began to close the window for the organizing effort, though it would continue in the region into the early 1950s.

The CIO campaign was quickly overshadowed by national economic weaknesses that began to show within 18 months of the war’s end. In May 1947, a New England conference of the TWUA noted that the nation’s economy was “far from bright” as prices outstripped consumer purchasing power, a housing boom hoped for after the war’s end had failed to materialize, and retail sales in department stores had shrunk 8 percent between March 1946 and March 1947. “Warning signs are even now evident in the textile industry, with 10,000 workers in soft woolen mills out on the streets and thinly-veiled indications of a let-down in the boom in cotton textiles,” read a resolution adopted by the conference. The TWUA called for Congress and the White House Council of Economic Advisers to trim about half of the price increases imposed by the Office of Price Administration (OPA) since June 1946. It also requested an increase in the hourly minimum wage by 1949, from 40 cents to 75 cents; and an extension of unemployment compensation to 14 million unprotected workers.10

A slump came to the industry in late 1948 when a yearlong recession hit, lasting through October 1949 and foreshadowing the industry’s response to recessions in 1953, 1957, and 1960. Though a slight recession had affected the United States between February and October 1945, the first full recession following the war was particularly rough. The downturn had been several years in the making. Immediately after the war, wages remained flat as the federal government removed wartime price controls and prices rapidly increased, outstripping wages. Workers nationwide expressed their discontent with a wave

10 Textile Workers Union of America, “Economic Security Program,” May 23, 1947, MS 134 (TWUA New Bedford Joint Board Records, 1942-81), Folder 68, Box 6, SCUA-UMass. The resolution was issued days before the abolition of the Office of Price Administration, which controlled wages and consumer prices during World War II and into 1946. While the OPA itself was abolished, its functions were transferred to agencies including the Federal Trade Commission.
of strikes in 1946. That, in turn, played a role in Republicans gaining control of Congress in the “Had Enough?” elections that fall. In early 1948, “the supply began to catch up with the demand and by the fall of that year the market had become increasingly competitive, prices had been drastically reduced, curtailment became the rule, and unemployment mounted through the industry.” The effect was especially acute in New England, where mills shuttered: “Thousands of employees were walking the streets, and many mills were permanently liquidated.”11

The TWUA’s publication, Textile Labor, noted much of the distress at this time was also caused by increasing consolidation of mills by conglomerates which saw greater value in a mill’s disparate parts than in keeping the mill running as a going concern. Conglomerates such as Textron, which was founded in Providence, Rhode Island, as a textile manufacturer in 1923, turned its attention to consolidating within the industry in the years after World War II, a period in which the company grew as a result of wartime contracts. The company bought up textile mills, sold off the equipment, repurposed the buildings, and turned the workers out, a pattern that eliminated nearly 10,000 jobs over a six-month period in 1948.12

The economic devastation in textile centers posed a challenge to elected officials. By the summer of 1949, President Truman’s chief of staff, John R. Steelman, was asking federal officials to use their purchasing power to alleviate


unemployment in labor markets with unemployment rates of at least 12 percent.\textsuperscript{13} Several of the areas, such as the Massachusetts cities of New Bedford, Worcester, and Lawrence; the Connecticut cities of Bridgeport and Waterbury; Cumberland, Maryland; Utica-Rome, New York; Scranton–Wilkes-Barre, Pennsylvania; and Knoxville, Tennessee, had some concentration of textiles. In New Bedford, the city had employed more than 20,000 workers in 11 large cotton and rayon textile manufacturing plants during World War II, but saw its employment levels reduced by half between 1948 and 1949 alone when government orders declined after minimum wages on government work were set at 87.5 cents an hour – a rate based in part on lower southern wages but 10 cents below the prevailing minimum wage in New Bedford. “In a city, where the total labor force is about 50,000 people, you can well imagine what happened when its leading industry is materially curtailed. It means a very serious unemployment problem,” wrote a local labor official, who suggested higher minimum wages for government contract work and limits on the size of contracts that textile firms could bid on, to spread the work around. “These textile companies need production orders immediately. Any program that will take an extended time to bring results will be of no avail.”\textsuperscript{14} By the summer of 1950, with the Korean War under way, New Bedford still had some 7,700 workers unemployed – roughly 10.5 percent of the workforce. Other Massachusetts textile centers were similarly in dire straits, notably Lawrence,

\textsuperscript{13} White House News Release, August 9, 1949, in MS 134 (TWUA New Bedford Joint Board Records, 1942-1981), Box 3, Folder 30, SCUA-UMass.

\textsuperscript{14} Letter from George E. Carignan, New Bedford Joint Board, to Everett M. Kassalow, Congress of Industrial Organizations, August 31, 1949; letter from Kassalow to Carignan, September 9, 1949; both MS 134, Box 3, Folder 30, SCUA-UMass.
whose 16.6 percent unemployment rate translated into nearly 11,000 idle workers. Neighboring Lowell, with 6,650 jobless workers, had a 10.9 percent unemployment rate, while Fall River had 6,000 unemployed workers and a 9 percent jobless rate.\footnote{“Re: Unemployment in Massachusetts’ Textile Centers – June 1950,” memo from Solomon Barkin to Emil Rieve et al, August 25, 1950, in MS 129A, File 7A, Box 15, Folder “Inter-Office Memos 1950,” TWUA Papers, SHSW, UW.}

The ongoing anti-labor climate, a worsening economy, and a growing fear of communism generated by Cold War politics all made labor’s effort to organize in the South especially difficult. A series of internal feuds stretching back to conflicts between the TWOC and the UTWA in the 1930s also broke out, overshadowing the Operation Dixie campaign. While this internal feuding hurt labor, it was perhaps more of a symptom of labor’s weakness in the textile industry than it was a cause of the weakness itself.

In 1949, the CIO purged members from thirteen of its member unions amid accusations that the unions in question were too radical and perhaps infiltrated by communists. The purge helped keep a running feud going between the CIO’s TWUA and the UTWA, an AFL affiliate. For a short time in the 1930s, the UTWA had joined the CIO and was reconstituted as part of the TWOC. By the time the TWOC became the TWUA in 1939, a group of former UTWA members, disaffected with life in the new union, won the right to take back the UTWA name and affiliate with the AFL. Through the 1940s, the UTWA sought to paint itself as the anti-communist alternative to the CIO and its TWUA. In mill after mill through the South and New England, the two unions battled each other for the right to represent workers. Personnel for both unions spent significant
amounts of time and energy battling for the right to represent workers, time that was lost to addressing import competition and other critical issues affecting the industry. Furthermore, Emil Rieve, the TWUA president, was engaged in a long-running feud with George Baldanzi, a TWUA vice president who was not hesitant to criticize Rieve’s actions and who had withstood Rieve’s effort to drive him from the union. By 1951, with Operation Dixie essentially dead, the feud produced a calamitous result. Baldanzi, determined to maintain the TWUA’s presence at the Dan River mill empire and demonstrate its strength as a union, called a five-week strike that ended with the TWUA being voted out and replaced by the UTWA. The defeat ended the TWUA’s presence at the largest southern mill chain it had organized to that point, a rare southern textile company that tolerated unions. The loss also ended labor’s presence in a textile manufacturer whose wages set patterns for other mills across the region.16

The 1951 Dan River strike “was the last great gasp at being a big factor in the South,” Solomon Barkin, an economist and longtime head of research for the TWUA, later recalled. He maintained that the TWUA did not lose anything from the strike, but allowed that it clearly demonstrated the limits of the TWUA’s power. “It was the watermark, ‘cause after that we never dreamt of the South as something you could take over, like Sherman marching through Georgia,” he said. “We had to become piecemeal about it, and couldn’t conceive it as a unified

operation. … We were stopped, and the textile union never again could proceed."17

**Economic Challenges at Home: The Textile Industry in the 1950s**

The 1948-1949 recession, the CIO purge, and the failure of Operation Dixie all contributed to the overall failure of the labor movement to get a foothold in the southern textile industry. Despite the United States’ entry into the Korean War, which slightly boosted production, problems remained. A New England textile executive cited problems that had caused the industry’s decline in his region since 1925: low rates of southern unionization; an hourly wage differential of 9.5 cents between workers in New England and the South ($1.065 in New England versus $0.97 in the South); and productivity (as cheaper southern workers were more likely to be assigned more machines than their New England counterparts). To solve these problems, the executive called for federal action to raise federal minimum wages, as well as wage adjustments under the Walsh-Healey Act, a New Deal-era law governing labor practices in federal contracting, to bring Southern textile wages up to New England levels, a list of suggestions with which Barkin and the TWUA concurred.18

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17 Clete Daniel, *Culture of Misfortune: An Interpretive History of Textile Unionism in the United States* (Ithaca: Cornell University Press, 2001), 168-169; 186-206; interview with Solomon Barkin, Textile Workers Union of America, MSS 467, Tape 662A, Tape 7, Side 2, TWUA Oral History Project, TWUA Papers, SHSW, UW. By 1952, Baldanzi, having failed in an effort to take the TWUA presidency from Rieve, bolted to the UTWA with a faction of TWUA supporters, creating a deepening rift between the two textile unions that would hamper their efforts to work together, especially after Baldanzi became UTWA president in 1958. See Daniel, *Culture of Misfortune*, 255-256.

For much of the early 1950s, the textile industry operated in a slump, the boom years of the late 1940s a distant memory. Industry employment fell from 1.28 million workers in 1948 to as low as 953,000 workers in July 1954, although the number had recovered slightly to 998,000 workers by December 1954. By 1955, Barkin was telling members of Congress that the textile industry “has been in a depressed state since 1951 and has not yet recovered.” The CIO, meanwhile, was declaring “no indication that a return to full employment is in sight.” Added one journalist: “The latest recession in textiles began in the second quarter of 1953 and apparently hit bottom in the winter. In six months output tumbled 22 per cent.”

The middle years of the 1950s were also haunted by concerns that rising levels of textile imports would cause lasting damage to the industry. By 1956, the TWUA believed the industry was in recovery and that workers would soon benefit from higher sales and profits. But a recovery did not materialize.

Instead, the industry faced significant textile import growth from Japan and Hong Kong between 1955 and 1957. A 1957 recession also hampered the industry, prompting labor leaders to worry once again about its viability. “We

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19 Textile Workers Union of America Research Department, “Statement of Solomon Barkin Before the Joint Committee on the Economic Report on the Textile Industry as a Depressed Industry,” January 27, 1955: 1, 5; FS 100 (Solomon Barkin Papers), Box 9 (Bound Notebooks, 1954-1955), SCUA-UMass; “1955: Forecasts’ Cheery Glow Is Pale in Textiles,” Textile Labor, January 8, 1955; Bernard Nossiter, “Slump in Textiles: An Industry Goes “Soft,” The Nation, January 22, 1955. Barkin, who served the TWOC and TWUA between 1937 and 1963, became one of the leading advocates for both the textile labor movement and for preserving the industry in the face of economic changes. Barkin’s reputation was so great that by 1953, he was being considered for a nomination as an assistant labor secretary at the end of the Truman administration, an offer he refused. See letter from Solomon Barkin to Walter Reuther, January 19, 1953, and letter from Reuther to Barkin, January 26, 1953; both in FS 100 (Solomon Barkin Papers), Box 8 (Bound Notebooks 1952-1953), SCUA-UMass.

are now in the sixth year of a severe textile depression,” TWUA president
William Pollock wrote in an AFL-CIO publication in the spring of 1958, arguing
the industry’s precarious state had affected neither the TWUA’s vitality nor its
desire to improve working standards or living conditions. “Our basic problem
lies in the fact that we work in a sick industry – an industry upon which the
Eisenhower administration consistently turns its back.”

Between 1952 and 1958, Pollock wrote, more than 1,000 mills had closed
while total industry employment had fallen from 1.2 million to 800,000. Pollock
asked the Eisenhower administration to investigate the textile industry’s
problems, which it argued stemmed from federal policy. One area deserving of
scrutiny was the nation’s tariff policy:

At best, it merely serves to aggravate the textile industry’s problems. At
worst, it leads to the destruction of basic American industries like textiles
and the jobs of American workers. We in TWUA are not isolationists. We
believe firmly in reciprocal trade. But we think the line should be drawn
when our government’s policy generates a one-way flow of goods that can
wipe out domestic industry. We maintain that large-scale international
trade in textile products is unnecessary and unsound. Because of the
worldwide availability of raw materials and the relative simplicity of
plant construction, we believe each nation can and should produce textiles
primarily for its own domestic market. At the same time, we appreciate
the economic pressures that impel other nations to seek a textile market in
the United States.

21 William Pollock, “An Industry That’s Sick,” The American Federationist, April 1958, in RG98-002,
Box 61, Folder 1 (Textile Industry 1937-1986), George Meany Memorial Archives, National Labor
College, Silver Spring, Md. (hereafter GMMA, NLC).
To aid the industry, Pollock asked for a range of initiatives to address trade and production issues and address the needs of dislocated workers. For trade, he called for a freeze on tariff rates for textile imports and asked for import quotas on all textile products. For cotton and synthetic fabrics, Pollock suggested import levels be frozen at the average level for imports between 1947 and 1949, a period of relative strength for the domestic textile industry. To address production, Pollock called for a 35-hour workweek in the textile industry without reduction in pay. To address the needs of dislocated workers, Pollock requested the creation of a federal agency to begin industrial redevelopment programs for textile communities affected by industrial decline. He stated that workers also needed special assistance to compensate for job losses, adding that the Eisenhower administration “ought to stop regarding the proposition of help to distressed areas as merely a theory.” Finally, Pollock urged the federal government to end subsidies of domestic raw cotton sales for export, which he said created a “two-price” system for cotton.\(^\text{22}\)

In addressing the cotton subsidy, Pollock was stepping into an issue of contention that involved textile manufacturers, cotton farmers, and members of Congress as well as textile workers. The “two price cotton” system that Pollock decried had its roots in the New Deal. Under an Agricultural Adjustment Administration agency called the Commodity Credit Corporation (CCC), farmers could sell their excess commodities to the government, which would then store them unless the farmers repurchased the commodities at cost to sell on the market. Farm commodities began to grow in volume during World War II, even with wartime demand for goods, and by 1952, the federal government was

\(^{22}\) Pollock, “An Industry That’s Sick.”
storing more than 5.6 million bales of cotton. At the urging of President Eisenhower’s agriculture secretary, Ezra Benson, the administration supported a 1954 law enacted to help the CCC sell surplus commodities to friendly nations. Even so, surpluses of cotton stocks continued to grow; in 1955, the surplus reached 6.25 million bales. As a result, the federal government was paying more than $1 million per day for the privilege of storing surplus cotton.23

The federal government’s difficulty in selling off its stocks of cotton lay in domestic price supports from the New Deal that were intended to keep prices from collapsing. Price supports for cotton and other American commodities, however, pushed prices above world market levels. Benson initially refused to sell surplus commodities at the lower world price. After intense pressure from members of Congress (who wanted the United States to sell its cotton stockpile at lower market prices), and opposition from Secretary of State John Foster Dulles and Commerce Secretary Sinclair Weeks (who argued that selling at the world market price amounted to “dumping” commodities), the Eisenhower administration reached a compromise.

Under the Agricultural Act of 1956, the United States would sell its cotton stocks for export at the world market price of 25.5 cents per pound. The rate was 6.5 cents lower than the domestic price of 32 cents per pound. To make up the difference, U.S. cotton farmers would receive a 6.5-cent subsidy (later increased to 8.5 cents) for each pound of cotton sold for export. By subsidizing the

difference between the higher domestic price and the lower world price, the federal government hoped to export more of its surplus cotton. Southern congressmen and cotton farmers liked the deal – it increased opportunities for selling more of their cotton – but the subsidy created a “two-price” system for American cotton. While domestic textile manufacturers had to pay 32 cents for a pound of cotton, their foreign counterparts paid only 25.5 cents, with the federal government subsidizing the cotton grower for the remaining 6.5 cents to match the domestic price. The two-price system added to the worries of all who were concerned about textile imports. Domestic manufacturers would now have to compete at a disadvantage with their foreign counterparts on wages and prices for American cotton – a disadvantage that could increase the flow of imports and eventually erode American textile jobs. Manufacturers in the American Cotton Manufacturers Institute, like Charles A. Cannon of North Carolina’s Cannon Mills, decried the subsidy and pledged to end it.24

The execution of the “two-price cotton” system offered another case of an injury to textile workers, just as the administration of the National Industrial Recovery Act effectively denied worker voice and gave textile managers even more of an advantage over their workers. The subsidy that helped cotton farmers sell more of their commodities for export kept domestic prices high and encouraged more acreage to be planted in cotton. At the same time, the sale of excess cotton for export at lower prices gave foreign textile manufacturers another advantage, in addition to lower wages, over their American counterparts. The cotton would also come back to the United States as woven

cotton goods and cloth. The “two-price cotton” system demonstrated the power of southern agricultural interests over their industrial counterparts.

Even with the challenges of imports, automation, and recessions, textiles and apparel remained one of the largest manufacturing sectors in the United States, though its presence was shrinking. The New England governors’ committee reported that in 1959, the nation’s 866,000 textile and apparel workers represented about 5 percent of the nation’s manufacturing workforce of roughly 16 million. But the number and proportion of manufacturing jobs had been declining due to automation and foreign competition. In 1929, the industry had 1,264,000 workers, about 12 percent of the nation’s manufacturing workforce. In terms of numbers, the industry workforce had shrunk 31 percent in three decades.  

“Trade, Not Aid”: Labor Assists the Marshall Plan

As part of the European Recovery Program (ERP) of the 1940s and 1950s, largely known as the Marshall Plan, organized labor played a role in helping the agencies charged with carrying out its aims – the Mutual Security Administration (MSA) and, after 1951, the Economic Cooperation Administration (ECA). The effort to fight communism in Europe gave American unions an opportunity to burnish their anticommunist credentials at a time

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during which they were under fire at home for alleged susceptibility to communist influences.\textsuperscript{26}

U.S. textile unions, such as the UTWA, met with labor representatives from other nations to inform them about the operations of American unions. In some circumstances, the ECA, one of several agencies that administered American development programs following World War II, sent American labor-management groups abroad to meet with their European counterparts. Unions like the UTWA were asked to provide textile workers to work with industrial groups across western Europe to offer suggestions for improving productivity in foreign textile mills and learning techniques and practices that might aid the domestic industry. Sometimes the ECA sought the unions’ participation as part of a larger goal of constructing an anti-communist trade union movement in nations like France, where nearly two million trade unionists, aided by the Central Intelligence Agency, left the communist-led General Confederation of Labor (CGT) in 1947 to found a separate federation, CGT-Force Ouvrière (Workers’ Strength).\textsuperscript{27} On other occasions, U.S. labor unions and textile

\textsuperscript{26} The potential for pursuing an anticommunist agenda abroad at the dawn of the Cold War while facing scrutiny at home was of particular interest to CIO unions, several of which were targeted for communist influences in the 1940s. See Robert H. Zieger, \textit{The CIO 1935-1955} (Chapel Hill: University of North Carolina Press, 1995): 267-278. In addition to the Marshall Plan, several other aid programs were adopted at this time to steer development in other nations, particularly Japan, China, and India.

\textsuperscript{27} Letter from William Green, American Federation of Labor, to Anthony Valente, United Textile Workers of America, September 7, 1950, in Folder 99, Box 368, United Textile Workers of America Papers, Southern Labor Archives, Special Collections and Archives, Georgia State University Library, Atlanta (hereafter UTWA Papers, SLA, GSU); letter from G. Warren Morgan, Economic Cooperation Administration, to Jack LeFevre, United Textile Workers of America, November 28, 1950; letter from Curtis E. Anderson, Economic Cooperation Administration, to Anthony Valente, United Textile Workers of America, March 29, 1951; and letter from Bert Jewell, Economic Cooperation Administration, to Anthony Valente, United Textile Workers of America, June 30, 1950; all in Folder 78, Box 367, UTWA Papers, SLA, GSU. For more on the CGT-FO split of 1947, see Stephen Burwood’s \textit{American Labour, France, and the Politics of Intervention, 1945-1952: Workers and the Cold War} (Lewiston, N.Y.: Edwin Mellen Press, 1998).
companies hosted visiting delegations.\textsuperscript{28} Laborers also participated in international labor meetings alongside government and industry representatives to discuss textile issues on behalf of the U.S. labor movement, although they were required to pass a loyalty and security investigation by the FBI.\textsuperscript{29}

The ECA also took particular interest in issues like reciprocal trade, which the UTWA and TWUA supported.\textsuperscript{30} Paul G. Hoffman, the head of the ERP, pointed to imports as an issue to watch during a June 1950 speech to the UTWA’s biennial convention in New York, in which he called for Western Europe to boost its future through building trade with other nations instead of relying upon aid from the ECA. Under this “trade, not aid” approach, Hoffman estimated Europe needed to build its earnings by $1 billion by 1953, of which Hoffman guessed less than $400 million – “less than three-tenths of 1 percent” of the wholesale value of goods the United States produced in 1949 – would come from additional exports.\textsuperscript{31} Heartened by Hoffman’s remarks, the UTWA passed a resolution supporting the RTAP, stating in part that it made sales of raw imported materials for U.S. industries easier while allowing foreign customers access to the U.S. market, where they could sell their products and get the dollars they needed to purchase American-made goods. Furthermore, the UTWA resolution noted, the

\textsuperscript{28} Letter from Bert M. Jewell and Clinton S. Golden, Economic Cooperation Administration, to Anthony Valente, United Textile Workers of America, March 7, 1950, Folder 78, Box 367, UTWA Papers, SLA, GSU.

\textsuperscript{29} Letter from Anthony Valente, United Textile Workers of America, to William Green, American Federation of Labor, October 4, 1950; letter from Maurice Tobin, U.S. Department of Labor, to Green, September 27, 1950; both in Folder 99, Box 368, UTWA Papers, SLA, GSU.

\textsuperscript{30} Letter from Helen Hamilton Woods, Economic Cooperation Administration, to Anthony Valente, United Textile Workers of America, July 7, 1950, Folder 78, Box 367, UTWA Papers, SLA, GSU.

RTAP “has not brought about any flood of imports of any commodities” since it took effect in 1934. “In 1949, notwithstanding the various tariff reductions in different types of textiles, under trade agreements since 1934, total U.S. imports of textiles were ridiculously insignificant by comparison with the vast size of our domestic production,” the UTWA resolution stated. “In fact, since the development of the program, the American textile industry has grown very prosperous, jobs have been more steady and wages for textile workers have reached their highest levels in our history.”

The UTWA was also involved in international programs with the Labor Department, which sought to send workers abroad as advisers to textile companies in the hopes of improving their productivity, as well as the State Department. Despite the good intentions, one such venture in 1953 did not end well. In that initiative, the Labor Department asked the UTWA to find three textile workers to train Iranian textile workers in fixing weaving looms, as well as two key textile functions: carding, or the process of creating rough filaments from raw cotton fiber, and spinning, the process of refining those filaments into yarn or thread. The department requested the workers to help improve the performance of the machines as well as the quality of the products and level of production. Workers were expected to stay in Iran for at least two years, where they would train Iranians to properly maintain the machines, repair spinning frames, and improve overall textile production and quality levels. The positions offered lucrative compensation – with a housing allowance, the workers selected

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32 Letter from Anthony Valente, United Textile Workers of America, to Helen H. Woods, Economic Cooperation Administration, July 6, 1950, Folder 78, Box 367, UTWA Papers, SLA, GSU.
would have earned about $10,000 for each year of their two-year tour of duty.\textsuperscript{33} The $10,000 compensation was nearly triple the $3,390 a full-time manufacturing worker earning the average hourly wage of $1.63 would have earned over the course of the year.\textsuperscript{34} Several UTWA members expressed interest in participating, only to have the program halted shortly before a \textit{coup d’état} in August 1953, led by the United States and the United Kingdom, removed the democratically elected government of Mohammed Mossadegh and placed Reza Pahlavi in power. \textquote{Write and tell [Baldanzi] that the project is temporarily held up on account of internal conditions in Iran,} read a handwritten response on a letter from Baldanzi to Valente that had been drafted a few weeks before the coup. While the note itself does not support the assertion that unions were privy to any knowledge of an imminent coup, it at least illustrated that, given the close bonds between the federal government and the labor movement at the time, unions were aware that conditions had deteriorated to the point that the foreign policy apparatus was unwilling to place citizens in danger.\textsuperscript{35}

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\textsuperscript{33} Letter from Anthony Valente, United Textile Workers of America, to George Baldanzi, United Textile Workers of America, July 9, 1953; Folder 23, Box 362, UTWA Presidents’ Correspondence, UTWA Papers, SLA, GSU; letter from Valente to Lewis Conn, United Textile Workers of America, July 9, 1953; Folder 51, Box 365, UTWA Papers, SLA, GSU; Memorandum from S.M. Justice, U.S. Department of Labor, Bureau of Apprenticeship, “Industrial Training Assignment in Iran,” n.d. [July-November 1952], Folder 168, Box 374, UTWA Papers, SLA, GSU.

\textsuperscript{34} The average hourly wage for manufacturing workers in 1953 ranged between $1.60 and 1.66, according to U.S. Bureau of Labor Statistics data; the $3,260 figure is based on an assumption of a 40-hour workweek over 52 weeks. For the range of hourly manufacturing wages, see Federal Reserve Bank of St. Louis, “Average Hourly Earnings of Production and Nonsupervisory Employees: Manufacturing” (at https://research.stlouisfed.org/fred2/data/AHEMAN.txt; accessed April 16, 2016).

\textsuperscript{35} Letter from Valente to Baldanzi, August 5, 1953; letter from Baldanzi to Valente, July 20, 1953, both Folder 23, Box 362, UTWA Presidents’ Correspondence, UTWA Papers, SLA, GSU; letter from Conn to Valente, July 11, 1953, Folder 51, Box 365, UTWA Papers, SLA, GSU.
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International Textile Competition, Import Growth, and Foreign Policy

As textile unions struggled after World War II to comprehend and respond to the ways in which their members and industry were being affected by economic downturns, mergers, and automation, they had another issue to contend with. Not only had the war reduced the flow of textiles through the U.S. market, it had also wiped out the industries of nations like Japan, or seriously affected international trade. Now, with peacetime at hand and nations rebuilding their textile sectors, import competition began to grow steadily.

In the late 1940s, unions began taking note of rising imports, particularly in woolen textiles, but initially played down the issue. By the early 1950s, imports were becoming more of a challenge to union members’ jobs, in addition to mergers, recessions, which hit the industry harder than other sectors, and additional plant migrations, sometimes driven by the attractiveness of the nonunion environment made possible by Taft-Hartley and the raft of “right-to-work” laws it spawned.36

In 1948, textile imports comprised less than 1 percent of domestic production, according to the Northern Textile Association, a Boston-based textile trade association that represented New England textile manufacturers. A decade later, with domestic production levels more or less steady amid a declining number of workers, imports made up 3.5 percent of domestic production. By 1960, however, imports had reached 7.1 percent of domestic production, translating into a tenfold increase since 1948 and a doubling between 1958 and

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1960 alone. The growth of imports was highest among cotton textiles, which grew from 64 million square yards in 1948 to 456 million square yards in 1958, a 612.5 percent increase. Imports more than doubled again between 1959 and 1960 to 1 billion square yards, representing a 1,462 percent increase over 1948. By comparison, import growth for all other forms of textiles – wool, velvet, man-made fabrics, and silk – were less steep, but still significant, for the 1948-1960 and 1958-1960 periods. Total textile imports grew from 131 million square yards in 1948 to 630 million square yards in 1958, an increase of 108 percent; by 1960, imports of all textile products reached 1.3 billion square yards, a 900 percent increase over 1948.³⁷

The increase in imports of textiles during the 1950s steadily eroded the balance of trade between the United States and the rest of the world in the textile sector. In fact, the rapid increase between 1958 and 1960 entirely wiped out the nation’s trade surplus in cotton textiles. In 1957, according to an interpretation of Commerce Department data by the American Textile Manufacturers’ Institute, the successor organization to the ACMI, the United States enjoyed a $14 million trade surplus in cotton textiles. By 1958, the U.S. balance of trade in cotton textiles stood at a deficit of $36 million; the deficit widened from there, to $202 million in 1959 and $248 million in 1960.³⁸

The growth in imports over the course of the 1950s initially posed little concern to some textile labor officials, who at first considered imports a small part of the ongoing textile trade and believed the trend was driven more by the


³⁸ Figures compiled from Textile Hi-Lights, the quarterly economic publication of the American Textile Manufacturers’ Institute, 1968-69 to 1975. The American Cotton Manufacturers’ Institute was renamed the American Textile Manufacturers’ Institute in 1962.
economic downturn of the late 1940s. By early 1950, the TWUA assumed and observed some evidence of recovery in contrast to earlier declines, though its description of economic activity reflected a slower pace that led observers to feel the textile industry was “not sharing in the revival of business activity” and that it was losing consumer dollars to purchases of homes, automobiles, and consumer durable items like appliances and televisions.39

The United States’ entry into the Korean War in 1950 led to an increased demand from the military for textile goods; although they were nowhere near the demand level of World War II, military orders still boosted domestic production, in some cases leading to manpower shortages. War-related production then continued to mask the growth in imports. “The events following on the Korean conflict have brought industrial activity to unprecedentedly high levels,” the TWUA reported in the late summer of 1950. “We are no longer concerned with surpluses but with finding resources, capacity and people. ... It is significant that while there will be shortages of skilled crafts in the northern communities, there will be large pockets of unemployed textile workers in the larger communities. We will find that these unemployed, particularly older men and women, will continue to be unemployed for long periods.” Moreover, prices for finished goods and raw materials had increased, while technological improvements meant “[m]achinery manufacturing companies are working right up to the hilt in order to meet demands.”40


For a short period at the beginning of the 1950s, the TWUA was more worried about industrial decline as a result of domestic overproduction than from import competition. “Our current production is at the rate of about 13.9 billion yards of textiles. In 1942, at the previous peak, it was 13.2 billion yards,” Barkin wrote in September 1950, pointing out that cotton textile production was poised to reach 2.6 billion linear yards in the third quarter of 1950, surpassing the postwar production peak of 2.58 billion linear yards, set in the first quarter of 1948. Barkin estimated that production might surpass 14 billion yards in 1950, adding, “This is a tremendous output which I believe will not flow through our economy with ease.”

Yet textile labor leaders became more concerned about imports, along with overproduction and recovery from the recession. “An expansion of textile imports would have a highly unfortunate effect” on workers, TWUA President Emil Rieve told the Committee for Reciprocity Information in June 1950. Rieve argued that workers were vulnerable to automation and the creation of new products that spelled “intense competition among different fibres, processes and products. Thousands of workers have been displaced and thrown onto a labor market where few opportunities for alternative employment exist,” he said, adding that lower tariffs and higher volumes of imports would threaten the competitiveness of new products and threaten to throw more people out of

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41 “Re – Textile Production,” memo to Emil Rieve, Textile Workers Union of America, from Solomon Barkin, Textile Workers Union of America, September 20, 1950; TWUA Research Department, “Production of Broad Woven Fabrics, 1948 and 1950,” both in MSS 129A, File 7A, Box 15, Folder “Inter-Office Memos 1950,” TWUA Papers, SHSW, UW.
work, all “without providing a substantial permanent market for the foreign textile industries in this country.”  

Several textile-producing nations rebuilt or retooled their textile sectors after the end of World War II, in some cases, with help from American government and labor; their recovery foreshadowed an intensifying international market for textiles. By the mid-1950s, Japan had become the one nation poised to send more of its goods to the United States, resuming a pattern of trade that slowed in the 1930s and stopped with the United States’ entry into World War II. In the decade since its surrender ended World War II, Japan reconstructed, with the aid of American companies, a new, more efficient textile industry and unleashed unprecedented amounts of goods into the American market for sale. Combined with a four-year slump in the domestic industry that began in 1951, the burst of imports suddenly caught the attention of American textile workers and manufacturers alike.

Japanese imports also commanded interest in 1955 when the nation was admitted to the General Agreement on Tariffs and Trade (GATT), a U.S.-led multilateral agreement governing international trade with the intention of removing trade barriers. GATT got its start in October 1947 when 23 nations agreed to a number of rules and principles governing tariff and nontariff trade barriers. (GATT, which was instrumental in fostering the type of reciprocal trade envisioned by Hull on a global scale, would govern world trade until 1994, when it was replaced by the World Trade Organization, an international body that

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42 Emil Rieve, Textile Workers Union of America, “Statement to the Committee for Reciprocity Information Concerning Possible Tariff Concessions on Textile Items in the Negotiation of Reciprocal Trade Agreements,” June 1, 1950: 1; 10-13, in FS 100 (Solomon Barkin Papers), Box 7 (Bound Notebook 1950-1951), SCUA-UMass.
monitored trade agreements and settled disputes among member nations.)
Nations participating in GATT also agreed to lists, or “schedules,” of tariff concessions that were expanded and revised in four rounds between 1949 and 1962. The number of nations subscribing to GATT also grew in its first two decades; by 1967, 72 nations were participants, with schedules of tariff concessions covering more than 70,000 items and encompassing more than half of the world’s trade. Through the rounds of multilateral negotiation and nations’ general adherence to its rules and principles, GATT was instrumental in lowering worldwide barriers to trade and making for a more orderly international system of trade, especially in the two decades following World War II. Japan had sought entry into GATT in the early 1950s, as its foreign trade slowed. Their entreaties gained the sympathetic ear of the State Department, which considered expanded foreign trade with Japan necessary to keep the nation from trading with China and other Soviet bloc nations, even if expanding trade raised worries of increased competition from imports like cotton textiles.43

The nations agreeing to GATT pledged to follow most-favored-nation principles, extending nondiscriminatory treatment to each of its trading partners.

The most-favored-nation status had been a part of U.S. trade policy since 1923; as described in Chapter I, it was the cornerstone of Cordell Hull’s reciprocal trade program in the 1930s.

Nations under the GATT also agreed to other principles designed to improve international trade. For instance, they could not use internal taxes on imported goods to accomplish the same effect as tariffs and could impose anti-dumping and other duties on imports that threatened to harm domestic industries on a limited basis. Furthermore, nations could not impose import quotas, except in the case of balance of payments problems that required them to protect their currency reserves. In some cases where increased imports were likely to cause injury to a domestic industry producing similar goods, a nation could suspend, modify, or withdraw tariff concessions, a procedure known as an “escape clause.” In order to invoke an “escape clause,” however, the affected nation had to consult with the nation whose products were the source of injury.44

When Japan was admitted to GATT, its textile industry was poised to disrupt its American counterpart in a more dramatic fashion than it had begun to do two decades earlier. In a series of developments that alarmed the domestic textile industry and garnered the attention of the State Department, Japan’s rebuilt industry featured modern looms and spindles, eliminating the productivity advantage the United States once held. Japan’s new plants “turn out goods in huge volume, commensurate with her position as the foremost textile

44 While the General Agreement on Tariffs and Trade was developed through multilateral negotiations between 1946 and 1948, its origins go back to discussions between the United States and the United Kingdom during World War II, including the Atlantic Charter of 1941, the Lend-Lease Agreement of February 1942, and the International Monetary Fund Agreement in July 1944. For more on GATT, see Robert E. Hudec, Developing Countries in the GATT Legal System (New York: Cambridge University Press, 2011), and Douglas A. Irwin, The Genesis of the GATT (New York: Cambridge University Press, 2008).
exporting nation in the world,” a textile executive told business leaders in 1957. In addition to new, modernized plants, Japanese textile wages were $0.136 per hour – one-tenth of the average U.S. textile manufacturing wage of $1.35 – and its mills paid 25 percent less for raw cotton than their American counterparts, thanks to the subsidy in the Agricultural Adjustment Act of 1956 that created the “two-price cotton” system opposed by U.S. textile manufacturers.45 “We have no fear of our ability to compete on approximately equal terms with anyone anywhere in the world,” said one U.S. textile executive, but “we do not feel that it is fair to ask us to compete with fabrics made on similar machinery in Japanese mills” where workers earn much less than their U.S. counterparts.46

Taken together, these factors – a modernized textile sector, high production, lower wages, and lower costs for cotton – made Japan a formidable competitor. It also provided a blueprint for other nations and manufacturing sectors who wanted to benefit from export trade: using modern technology, excess production, and lower input costs, other sectors and nations could produce goods for export to wealthy markets like the United States, where lower prices translated into sales and profits for foreign manufacturers while generating wages for employees. It also helped grow balances of trade that eventually favored those exporting nations.


46 Jackson E. Spears, Burlington Industries, “The Ten Years’ Sales Outlook” (address to the Conference Board), September 23, 1955, in “Proceedings of the 360th Meeting of the Conference Board,” NICB Records, Acc 1057, Box 59, Volume 381, HML.
The blueprint quickly invoked worries among people familiar with conditions in the American textile industry. “The American cotton textile industry is much disturbed by the inflow of Japanese cotton fabrics,” the TWUA wrote in a 1956 letter to a Japanese textile industry representative, noting that cotton fabric imports in 1955 reached 115 million square yards, a 117 percent increase over 1954 levels. Imports of other textiles – woolen and worsted cloth, specialty fabrics, and finished products such as towels, shirts, pillowcases, and blouses – also saw significant increases. Pillowcase imports from Japan had exploded from 790,000 in 1953 to 11.7 million in 1955, a number that exceeded the low end of the estimated 10 million to 20 million pillowcases produced in the United States that year.47

As other nations’ textile sectors came on line in the 1950s, increasing U.S. textile imports amid fluctuating domestic production, American textile exports declined. In 1947, the United States exported 1.5 billion square yards of cotton goods, but by 1955, exports had fallen to 542 million square yards, a drop of 63.8 percent during that period. The TWUA noted these trends with growing concern. “It is more than likely that this volume will shrink further as Japanese exports displace American goods in Canada, the Philippines and Latin America,” the TWUA research department reported in early 1956. “The American cotton textile industry, which has been the most active division of the textile industry, continues to suffer many economic setbacks and fears even greater ones.” It reported a shrinking industry “even though the total volume [of imports] may

47 Memo to Emil Rieve, Textile Workers Union of America, from Solomon Barkin, Textile Workers Union of America (draft of letter to M. Takita), May 3, 1956; memorandum from William Pollock, Textile Workers Union of America, to Solomon Barkin, Textile Workers Union of America, September 26, 1956; memorandum from Barkin to Pollock, October 8, 1956; all in MSS 129A, File 7A, Box 17, Folder “Research 1956,” TWUA Papers, SHSW, UW.
appear to be relatively small, constituting as it did in 1955, 1.2 percent of total domestic production.” The report suggested a reduction of volume in the international textile trade. In order to protect the domestic textile industry, the report argued, the United States would have to protect its market from becoming a destination for foreign textiles beyond specialty goods. Protecting the American market would prevent nations like Japan from using its textile exports to fuel its postwar recovery at the expense of the domestic industry:

We are much aware of the problems confronting the textile workers of Japan, and its entire economy. Nevertheless, we are also concerned with the impact such a large volume of imports will have upon our employment opportunities. We cannot, therefore, stand idly by allowing hundreds and possibly thousands of workers to be displaced in this country. It would therefore appear that the long-term interest of the textile unions in the respective countries is to recognize that foreign markets are shrinking and that their internal markets are beset by tremendous technological advances so that they must take the position of at least protecting these markets for their own industries.48

Imports also became part of the political calculations for organized labor in a presidential election year. In a letter reminding its members of the upcoming election, the TWUA’s New Bedford Joint Board placed imports on a list of important issues including an increase in Social Security benefits, tax relief for individuals, and a repeal of the Taft-Hartley Act as its most important issues.

“Restrictions must be placed on cheap Japanese textile goods, if we are to keep some textile jobs,” the letter stated.49

As imports continued to increase through the remainder of the 1950s, textile unions, employees, and some elected officials began to critique the foreign policy decisions driving textile import growth. While not opposing American foreign policy, they wondered aloud why more was not being done to protect American industry beyond asking trading partners to voluntarily restrict exports to the United States. Some textile manufacturers also grasped that the domestic textile industry had entered a new period in the policy of trade liberalization in which they could no longer expect to dominate production and sales in their domestic markets or see textile exports exceed imports.

A speaker from one of the nation’s largest textile companies told members of the National Industrial Conference Board that his firm did not disagree about the importance of Japan strengthening its economy, yet still insisted on protecting its own. “There is a very strong feeling … that an industry employing 1,460,000 wage earners (add another 1,150,000 in the apparel and finished textile products field) must not sacrifice the welfare of its workers, no matter how meritorious the objective of strengthening the Japanese economy,” he said, adding a suggestion that the United States help develop other nations in Southeast Asia so they could become export markets for the Japanese and, at some point, for the Americans as well. The executive added that improving

49 Letter from George Carignan, New Bedford Joint Board, Textile Workers Union of America, to “Dear Member,” n.d. [1956], MS 134, Folder 61, Box 5, SCUA-UMass.
living standards throughout Southeast Asia could lead to opportunities for
greater U.S. textile exports.50

Another textile executive remarked in 1956 that State Department and
Eisenhower administration policies were encouraging greater imports of textiles
and apparel. “With the exception of alarmed members of Congress, no
government official has made a positive move in the direction of bringing the
problem of increasing and unrestricted importations under control,” this
executive said. Efforts to impose voluntary export controls were not working,
and imports were on the rise. With disparities in labor and raw material costs
between domestic and foreign producers, “nothing whatsoever stands in the way
of foreign industries monopolizing the sales expansion of textiles in this country,
or the present domestic market itself,” the executive said. “The process is already
taking place, it is gradual, very difficult to follow and to prove statistically to the
satisfaction, say, of the escape clause experts on the Tariff Commission, but you
can see it is bound to happen, and with resultant contraction of the domestic
industry, curtailment of employment and loss of investment.”51

A bipartisan committee of the six New England governors, led by Gov.
Abraham Ribicoff of Connecticut, also questioned U.S. foreign policy in
discussing imports and their effect on the region’s textile industry, which it held
was more vulnerable to import competition. “It has not been our position over
the years that we should not cooperate with the government in its program to

50 Jackson E. Spears, Burlington Industries, “The Ten Years’ Sales Outlook” (address to the
Conference Board), September 23, 1955, in “Proceedings of the 360th Meeting of the Conference
Board,” NICB Records, Acc 1057, Box 59, Volume 381, HML.

51 Allyn B. McIntyre, Pepperell Manufacturing Company, “The Sales Outlook for 1957,” Box 65,
Volume 446, NICB Records, HML.
increase foreign trade,” the committee reported in 1959. “We realize the importance of exports for a country like Japan, for example, and other competitors of the textile industry. We have held, however, that in its foreign trade policy the government should take into account all methods of helping friendly countries, not only the method of increased imports.” Such methods could include developing markets in third nations, as well as the use of foreign aid. The governors’ committee urged that the objective of winning the war against communism needed to be paid by taxpayers and investors, not by “a few weak industries … having serious problems of adjustment.”

The governors’ committee stressed that international economic policy would, after 1960, likely shift away from a focus on using trade to give U.S. trading partners an adequate supply of dollars, a practice it said contributed to foreign aid, private investment, trade liberalization via lower tariffs, and export restrictions on American-made goods. The committee highlighted new pressures for protectionist measures such as higher tariffs, import quotas, and opposition to further tariff reductions because of the growth in imports. While federal officials had considered restricting imports of cotton textiles under a section of the Agricultural Adjustment Act that allowed such limitations on commodities made from agricultural products, no decision had been made. The governors’ committee urged the federal government to act prudently to limit cotton textile imports. “Surely, when an industry is declining without any help from the

government, it is rather unjustifiable policy for the federal government to accelerate the decline,” the committee stated. “The least we can ask is non-interference by the government; the most, some additional protection for the market in order to ease the transition.\(^{53}\)

**A Disunited Front: Textile Labor and Industry Responds to Decline**

By the 1950s, multiple challenges to the textile industry – from automation, consolidation, geographic relocation, and imports – inspired efforts from different quarters to strengthen the industry or at the least, help workers adjust to changes. Textile labor officials and industry executives proposed a variety of solutions they thought would slow the industry’s decline. But no unified front on aiding the industry ever emerged in this period among the four major textile and apparel unions – the ACWA, TWUA, UTWA, and ILGWU. Beginning in the 1950s, the TWUA and ACWA began to discuss protection for the industry. The TWUA proposed protectionist measures to slow the growth in imports, as Pollock did in 1958. But these efforts did not go far and were not united for long.\(^{54}\)

Some TWUA labor leaders argued that its members, particularly in the woolen industry, began to note increasing imports in textiles as early as the late 1940s, only to play down the issue because the import growth also accompanied post-World War II prosperity in the industry. Imports became more of a critical

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issue in the 1950s, following the recession of 1949 and the slump in the industry that persisted from 1951 through 1955. Mill consolidations and relocations from New England to the South, driven by the Taft-Hartley Act’s encouragement of “right-to-work” laws across the region, further accelerated relocations.55

Internal labor politics also contributed to the lack of cohesion on strategies to aid the industry. The TWUA officially claimed it was working with the ACWA and the ILGWU on fighting imports in the late 1950s and early 1960s, but disagreements of policy and philosophical differences among the unions left that assertion open to challenge. The TWUA and the ACWA, for instance, could not agree over whether to oppose imports of manufactured cloth or finished goods.56 “The clothing manufacturers wanted to bring in cheap manufactured cloth. Did the clothing workers’ union and the garment workers’ union go along? The answer is yes,” recalled Sol Stetin, the last president of the TWUA. The ILGWU and ACWA later changed their stance, however, when importers “began bringing in finished fabric, because then there was no work for them.”57 The TWUA and UTWA, harmed by the Rieve-Baldanzi feud and the subsequent raids it spawned between the two unions, were too often at war with each other

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55 Interview with Sol Stetin, Textile Workers Union of America, MSS 467, Tape 648A, Tape 7, Side 1, TWUA Oral History Project, TWUA Papers, SHSW, UW; interview with Solomon Barkin, Textile Workers Union of America, MSS 467, Tape 662A, Tape 4, Side 2, TWUA Oral History Project, SHSW, UW.

56 Executive Council, Textile Workers Union of America, Resolutions on “Textile Tariffs” and “Inter-Union Cooperation,” March 1960, MS 134, Box 4, Folder 38 (1960 TWUA Resolutions), SCUA-UMass; interview with Sol Stetin, MSS 467, Tape 648A, Tape 7, Side 1; Tape 11, Side 2; and Tape 12, Side 1, TWUA Oral History Project, SHSW, UW; Textile Workers Union of America, “A Cooperative Program: ILGWU-ACWA-TWUA,” October 28, 1959; and “Cooperation: ACW-ILGWU & ACW, 1960-1962,” TWUA Papers, SHSW, UW.

57 Interview with Sol Stetin, MSS 467, Tape 648A, Tape 11, Side 2, TWUA Oral History Project, TWUA Papers, SHSW, UW.
to find a cooperative voice on import competition. When asked if the two unions ever cooperated on the issue, Stetin was firm: “Never. Never,” he said, his voice rising. “There was just no interest. Oh, yes, Baldanzi and Pollock, and often, Pollock, would ask me to represent him at some of these meetings, but there was really no real cooperation.”

In addition to disputes among textile and apparel unions, discord also existed between labor and capital, further complicating efforts to build a joint strategy in defense of the U.S. textile industry. Much of this discord was likely due to the highly adversarial relationship between textile owners who resisted labor’s overtures, especially in the larger and growing southern branch of the industry. If the labor movement had succeeded in obtaining a foothold in the industry, particularly in the South, the familiarity between capital and labor that would have developed through collective bargaining and the execution of contract provisions in the mills might have helped forge a common front. In the more unionized garment industry, the persistence of non-union employers also inhibited the ability to build a united front. When ACWA President Jacob Potofsky was asked to meet with a trade group of U.S. garment manufacturers in 1956 to discuss the threat of Japanese imports, Potofsky refused because the organization included nonunion manufacturers who continued to fight the ACWA. Employers who sought the help of Potofsky or other union leaders in

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58 Interview with Sol Stetin, MSS 467, Tape 648A, Tape 12, Side 1, TWUA Oral History Project, TWUA Papers, SHSW, UW.

59 Memorandum from Solomon Barkin, Textile Workers Union of America, to William Pollock, Textile Workers Union of America, August 9, 1956, in MSS 129A, File 7A, Box 17, Folder “Research 1956,” TWUA Papers, SHSW, UW. The trade association with which Potofsky declined to meet was the National Association of Shirt, Pajama & Sportswear Manufacturers.
gaining protection for their industry did not hesitate to resist the spread of new union organizing, making the construction of effective alliances impossible.

**Feuds and Resistance to Organizing: Labor’s Diversions from Imports**

While organized labor was concerned about imports in the 1950s, other issues and controversies diverted its energy away from import competition. By 1955, the CIO could highlight its “steady, tremendous advances” through 20 years of militant action, advocacy, and collective bargaining that had brought improvements to millions of workers through better wages, hours, working conditions, pensions, social welfare programs, and civil rights.

For the TWUA, however – a union that Sidney Hillman had hoped to build into a million-worker force in the 1930s – the reality was different. Slowed by raids and internal feuding, and its effectiveness inhibited by a general opposition to labor that spawned Taft-Hartley, as well as the general anti-labor attitude found in much of the South, the TWUA bounced from campaign to campaign through much of the 1950s, finding little success in trying to organize the South’s large mills: first Cannon Mills and Burlington Mills, then finally J. P. Stevens, where it would fight to organize workers in a campaign that lasted beyond the 1976 merger between the TWUA and ACWA that created the Amalgamated Clothing Workers Textile Union (ACTWU).  

With all the competing claims for the TWUA’s attention, its leaders had shown some support for reciprocal trade at least since 1950, taking Rieve’s letter

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into account. Political leaders, much of the organized labor movement, and the general public also favored free trade, but such support was not absolute. “Our position is not identical with that of employers,” Rieve wrote in a 1950 letter to a TWUA representative that hinted at a coming intensified international trade in textiles, even as imports remained at low levels.

They are outright protectionists whereas we have examined the direction of textile development in this country and throughout the world and have arrived at the conclusion that in the interest of our own and other people it is well not to promote the expansion of international trade in textiles [emphasis added]. We are not inclined to support an across-the-board protectionist position. … It is unwise to make the dire predictions which the company is likely to indulge in when as a matter of fact imports have hitherto been of little significance in affecting the economy of the woolen and worsted industry. … We have supported the Reciprocal Trade Agreements policy. We shall probably continue to do so in the future.\(^{61}\)

But as imports grew and the textile industry became more precarious as a result of consolidations and economic downturns, the TWUA began to revisit the assumption that reciprocal trade was the beneficial solution policymakers held it out to be. They gradually became more protectionist, a move that increasingly put them at odds with much of the general public, policy makers, and most of organized labor. In a 1953 memo, Barkin alerted Rieve that tariff policy would likely surface again during the upcoming session of Congress.

\(^{61}\) Letter from Emil Rieve, TWUA, to Charles Serraino, TWUA, July 11, 1950, in MSS 129A, File 7A, Box 15, Folder “Inter-Office Memos 1950,” TWUA Papers, SHSW, UW.
CIO will presumably repeat the regular Hull reciprocal trade position. …
Our Union will no doubt be constrained to move toward our independent position of protecting the textile industry in this country, particularly as the truly vulnerable areas such as wool, are the hardest hit in the country. The position is likely to be discussed shortly in CIO circles and I think that it should be made clear that we will not be able to go along on the above policy. An all-out reciprocal trade position appears completely unrealistic, since the present regulations have been amended by regulations which limit injury and volume of imports into this country.”

With the TWUA falling out of sync with the CIO on trade, the most visible battles against textile imports in this period were the ones led by industry groups such as the American Cotton Manufacturers Institute (ACMI), whose roots extended back to 1897, when it was founded as the Southern Cotton Spinners Association. In 1949, the ACMI’s predecessor, the American Cotton Manufacturers’ Association, merged with the Cotton-Textile Institute (which was involved in administering the NIRA code for the cotton textile industry) to form the ACMI. The group could point to its success in combating imports in the early days of the RTAP, when it cobbled out a “gentlemen’s agreement” in 1936 that led Japan to voluntarily reduce its textile exports to the United States. The industry group featured dominant manufacturers such as J. P. Stevens, Burlington Industries, Deering-Milliken, and Cannon Mills. Many of them had been politically connected for years to politicians through campaigns and through government service or lobbying. Their relationships extended to

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62 Memo to Emil Rieve, Textile Workers Union of America, from Barkin, MSS 129A, File 7A, Box 16, Folder “Research, 1953,” TWUA Papers, SHSW, UW.
government agencies through contracts to produce goods in wartime and peacetime. With such a well-established background, these groups pushed for import curbs or quotas and ignored the overtures from labor to join forces on fighting imports. The industry’s efforts were far from uniform, however; some industrialists believed the textile and apparel industry was strong enough to withstand challenges from imports, a sentiment that rose when the U.S. economy was strong. “The United States textile industry cannot afford to be high-protectionist and isolationist,” one executive said during one such period, in late 1956. “We are convinced that once the United States takes a course of bona fide reciprocity, of genuine and contractual give-and-take trade relationships by means of firm, enforceable treaty agreements with individual countries throughout the world, great new horizons of textile consumption will be opened up. Then, and not until then, will the domestic industry be able to move forward in pace with the economic expansion of this nation and the Free World.”

The industry took its fight for protectionism to Congress in 1954, when the ACMI began demanding some form of government assistance to counter what it considered rapid growth in cotton textile imports – a significant step for an industry in which its leading producers had opposed government intervention in the marketplace. Still, the domestic textile industry was particularly susceptible to imports; at the time, it had significant numbers of displaced workers and was producing more goods than it could sell. The ACMI did not succeed at first because of a fragmented alliance between it and other textile groups. But it did

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play a role in holding up the 1954 reauthorization of the RTAA, and got support from President Eisenhower, whose administration opposed extending the law. A leading industry voice was economist Claudius Murchison, an economist and ACMI adviser who had warned for decades of the weakness of the domestic textile industry; Murchison had also been instrumental in drawing up the 1936 “gentlemen’s agreement” with Japan. Murchison argued that further tariff cuts “might be completely destructive” for some industries, like textiles. In response to the industry pressure, the Eisenhower administration did not give the industry all the protection it sought but did promise to use tariff laws more vigorously to protect domestic industries. The ACMI lobbied Congress for curbs on imports of Japanese textiles, a maneuver that looked like it would bear fruit in late 1955 when the Japanese government, following a request from Secretary of State John Foster Dulles, announced it would impose voluntary restrictions on cotton textile imports to the United States. This did not placate some textile manufacturers, who unsuccessfully sought legislation in 1956 to impose import quotas on Japanese textiles. The Japanese export reduction also did not produce any relief from imports: Hong Kong, another source of textile imports, refused to enter into a voluntary export restriction agreement with the United States, and its exports soon replaced those from Japan.


Despite their inability to secure legislation to reduce imports or block the foreign cotton sales subsidy in June 1956, the ACMI at the same time rebuffed a TWUA proposal that the two groups join forces to work on protecting the industry from import competition. “We have followed the efforts of your Institute to secure Congressional support for limitations on imports,” the TWUA wrote in requesting a joint effort. “We have lent a helping hand in these projects. But the labors have been unavailing. ... A more extensive program is essential to provide long-term protection for this industry.” After the ACMI refused, the TWUA was reduced to expressing its disappointment that the ACMI was “unable to accept our proffer for joint efforts in the field of common interest, the protection of this industry from imports. …[I]n view of your letter, we shall proceed along our independent course and keep you apprised of our position.”

In the letter, the TWUA suggested the ACMI remain open to some informal joint consultation on future action to protect the industry from imports.68

The ACMI’s rejection of the TWUA’s overtures was not a surprise; in fact, Barkin had pointed out that the domestic cotton textile industry was most concerned that imports would grow as a result of the subsidy on cotton exports. Yet the textile manufacturers had long shunned any type of joint effort with labor unions on fighting imports. Instead, Barkin argued, textile manufacturers

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68 Memo to William Pollock, Textile Workers Union of America, from Solomon Barkin, Textile Workers Union of America (draft ACMI letter), June 19, 1956; Memo to Victor Canzano, Textile Workers Union of America, from Barkin (draft ACMI letter), July 17, 1956; both in MSS 129A, File 7A, Box 17, Folder “Research 1956,” TWUA Papers, SHSW, UW.
seeking protection from imports were more interested in programs “designed to maintain their profits” as opposed to saving workers’ jobs.\textsuperscript{69}

In September 1956, the United States began seeking additional trade concessions from Japan. After the Japanese resisted, Eisenhower limited wool imports from Japan and raised tariffs on wool cloth – decisions that appeared retaliatory but had been sought by domestic wool producers for years. In January 1957, the Japanese agreed to restrict textile exports to the United States for five years.\textsuperscript{70}

The export restriction agreement with Japan inadvertently opened the door for more cheap imports, this time from Hong Kong, and the textile industry in 1958 began to push for a similar agreement with Hong Kong. Negotiations with Hong Kong were more difficult, as the British colony had economic and strategic advantages similar to Japan making unilateral quotas difficult. Second, any unilateral move by the United States would likely push Hong Kong trade to Western Europe, threatening its textile industry in the process. A voluntary export restriction agreement with Hong Kong could also risk U.S. access to the strategic commercial and intelligence post next to China. And as a British colony, American efforts to restrict Hong Kong textile trade might strain relations between the United States and Great Britain. More than two years of negotiations

\textsuperscript{69} Memo to John Chupka, Textile Workers Union of America, from Barkin, May 4, 1956, MSS 129A, File 7A, Box 17, Folder “Research 1956,” TWUA Papers, SHSW, UW.

failed to produce an agreement between Hong Kong’s resistance and the textile industry’s push for protectionist measures.\textsuperscript{71}

As labor and industry groups continued fighting on separate paths to reduce imports, the TWUA made sure to point out the lack of any cooperative effort between labor and management to aid the industry. In 1959, after the ACMI pointed out that wages in the industry were “not satisfactory in the eyes of either management or the workers,” the union attempted, without success, to run ads in a trade journal. Afterward, the TWUA publicity department circulated the ad directly to industry managers, stating that labor and management shared “many areas of common interest. … Like you, we are for a quota system to correct the many inequities in U.S. tariff policy. Like you, we are for one-price cotton. … Like you we are keenly aware of the greater profit and higher wages enjoyed by management and workers in every major industry except ours.”\textsuperscript{72}

The inability of textile executives and labor to work together in fighting imports in their industry was not terribly surprising. Although they appeared to share common interests that would seem to outweigh their otherwise inherently different objectives, short-term views took precedence over long-range views, and power took precedent over financial issues. Industry and some labor officials seemed to share views opposing the use of trade instead of foreign aid to help economies recover. In 1953, for instance, the ACMI had criticized the proposed policy by the Eisenhower administration to lower tariffs and generate greater exports of goods to the United States “The ACMI recognizes the prime

\textsuperscript{71} Friman, \textit{Patchwork Protectionism}, 100-101, 103; Aggarwal, \textit{Liberal Protectionism}, 53-71; 77-78.

importance of sustaining our export trade, but rejects the notion that it can be accomplished by a program destructive of vital segments of American industry and agriculture,” the ACMI stated in a 1953 resolution on trade policy. Tariffs were intended to develop industry and agriculture while maintaining maximum employment and wages – a principle that was lost in the push to liberalize trade. “To abandon this basic purpose is to gamble with our national security and the prosperity of the people,” the ACMI stated. “Yet its abandonment is sought on the hollow assumption that the unlimited entrance of goods from low wage countries will solve the trade and currency difficulties of the rest of the world.”

In 1952, imports were valued at $10.7 billion, and between 1936 and 1952, imports of merchandise had quadrupled, nearly doubling between 1947 and 1952 alone. “On an annual basis since World War II, imports have expanded at the average rate of one billion dollars a year.” In asking Congress to reappraise international trade more closely, as well as “the avenues of approach to their correction,” the ACMI successfully asked Congress to reauthorize the RTAA in 1953 for only one year instead of its customary three-year renewal.73

Two years later, the TWUA’s Solomon Barkin also spoke in opposition to the use of “trade, not aid” policies for international economic revitalization. In a supplemental statement to a report by the Twentieth Century Fund and the National Planning Association, Barkin noted a “general need for American policies which promote the economic health of the free countries of the world to justify a specific program for the maximum liberalization of American import policies.” Barkin disagreed with the timing of import liberalization, its

importance for U.S. foreign policy, and the criteria that such liberalization was an issue of national interest. He argued that the restoration of American economic health needed to be addressed. “The maintenance of a less than full employment economy in the United States will be injurious to us and will sharply curtail our capacity for absorbing imports,” he wrote. “A liberal import policy is no substitute for a full employment economy even for the purpose of promoting a high level of imports.”

Barkin suggested the federal government set aside all further action on imports until government and industry had worked together to guarantee full employment. He decried the push of policymakers to encourage “trade, not aid,” arguing that boosts in foreign aid were more beneficial than efforts to help other countries through trade policy, because aid created a higher level of activity and employment within the U.S. economy and because it was a more effective tool by which the United States could directly influence other nations’ economic policies and practices. In regions of the world where the United States was undertaking redevelopment efforts, such as Western Europe and Japan, they ran into deep, longstanding economic and social problems, exacerbated by world wars and depressions. Trying to aid those regions through a liberal import policy would only provide a small economic boost to those regions that “would hardly be worth the political difficulties and the economic distress it would create within the United States.”


75 Barkin, supplemental statement to “American Imports,” 1-2, in FS 100, Series 3, Box 9, SCUA-UMass.
While the textile industry took the lead in seeking import curbs in the 1950s and 1960s, unions were trying to aid their members by providing assistance to those affected by industrial decline. One such proposal was through “trade adjustment assistance” (TAA) legislation to aid workers who had lost their jobs through foreign competition as a result of trade liberalization. The concept, first proposed by USWA President David McDonald in 1953, would extending unemployment benefits to affected workers, allowances for job training and worker relocation, compensation for dismissed workers, and even early eligibility or older workers to receive full retirement benefits. Communities and industries, meanwhile, could apply for grants to retool plants or redevelop industrial areas.76

The second form of assistance involved the use of grants, loans, and technical assistance through the U.S. Department of Commerce to aid cities and regions affected by economic downturns. Beginning in 1955, Barkin and the TWUA joined legislators like Sen. Paul H. Douglas, an Illinois Democrat, in

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76 McDonald first proposed the idea for trade adjustment assistance in 1953 to President Dwight D. Eisenhower’s Commission on Foreign Economic Policy. The commission (commonly known as the Randall Commission after its chairman, Clarence B. Randall, the chairman of the board of the Inland Steel Co.) was designed to study foreign economic policy and international trade and suggest policy practices to Congress. McDonald argued that the United States should provide technical and financial assistance to its own communities on par with the foreign aid it provided other countries. The Randall Commission rejected sending the adjustment assistance proposal to Eisenhower in January 1954, stating that “no matter how great our sympathy may be for the problems of a displaced worker, or those of a business with a shrinking volume, this is but one phase of a much larger problem.” See William L. Batt Jr., “Adjustment of Workers Displaced by Import Competition,” December 9, 1953, United Steelworkers of America Legislative Department Records, Box 58, Folder 12 (Office Files – Foreign Economic Policy Staff Reports, 1953), United Steelworkers of America Papers, Special Collections Library, Paterno Family Library, Pennsylvania State University, University Park, Pa. (hereafter USWA Papers, SCL-PFL, PSU); Memorandum from David J. McDonald to Members of the Commission on Foreign Economic Policy, December 28, 1953; and Commission on Foreign Economic Policy, “Outline of a Plan to Adjust Workers Affected by Increased Imports,” both in USWA President’s Office Records (David J. McDonald Records), Box 82, Folder 12 (Commission on Foreign Economic Policy, 1953/08-1954/01), USWA Papers, SCL-PFL, PSU. Elements of the McDonald proposal did become the basis for the trade adjustment assistance program, which was created as part of the Trade Expansion Act of 1962 and exists today.
seeking “area redevelopment” legislation that would provide loans and grants to cities in areas of high unemployment for attracting industry and retraining workers. Inspired by the Employment Act of 1946, which called on the federal government to “promote maximum employment, production, and purchasing power,” both parties, organized labor, and national business trade associations such as the U.S. Chamber of Commerce and National Association of Manufacturers fought over the legislation for six years. Despite the presence of nearly 180 economically distressed metropolitan areas nationwide, as measured by declines in textile, aircraft, and agricultural production, area redevelopment legislation failed in 1956, 1958, and 1960. In 1956, Douglas’ bill enjoyed support but could not surmount opposition from the Eisenhower administration, which introduced a measure to compete with Douglas’s bill in 1956. Douglas’s measure passed the Senate but was held up in the House Rules Committee until just before Congress adjourned, making passage of either Douglas’s bill or the administration-backed measure impossible. In both 1958 and 1960, amid the recessions of 1957-58 and 1960-61, Congress passed new versions of Douglas’s bill, only to have Eisenhower veto both bills. The TWUA’s Barkin, who built support for the legislation among the AFL-CIO, industrial unions, and local and state development officials, was one of the leading voices in taking up the issue of area redevelopment to combat disinvestment and industrial decline he saw in textile communities. The fight over area redevelopment legislation contributed to Republican losses in Congress in the elections of 1956, 1958, and 1960; furthermore, Richard Nixon blamed his loss in the 1960 presidential campaign in
part on voters’ perceptions, especially in distressed areas, that the Republican Party was not attuned to their needs.\textsuperscript{77}

General concern over the state of the textile industry, compounded by the recession of 1957, prompted the Senate Commerce Committee in the summer of 1958 to hold a series of hearings on the status of the textile industry. The hearings were known as the “Pastore Committee” after its chair, Sen. John O. Pastore, a Rhode Island Democrat who had served as state legislator, lieutenant governor, and governor before his election to the Senate in 1950, where he served until 1976. By virtue of his elected positions in Rhode Island, the state where the U.S. textile industry originated and a state with an industry presence, Pastore was one of the leading experts in the Senate on industry conditions.\textsuperscript{78}

The Pastore Committee held 12 days of hearings – four days in Washington, three in New York City, and one day each in Providence, Rhode Island; Hartford, Connecticut; Concord, New Hampshire; Charlotte, North Carolina; and Clemson, South Carolina, taking testimony from business, labor and elected officials on the challenges facing the industry. The hearings, covering all aspects of problems facing the textile industry, filled more than 2,000 pages. When the committee adopted its report on the industry in early 1959, the TWUA took pains to circulate the report to its locals, joint boards, and staff, urging the report be read to rank-and-file members in order to learn about the union’s


recommendations (never addressed by Congress) for a textile development agency to undertake research into new products for the industry and a Textile Labor Relations Act that would govern labor relations in the industry, in much the same way the Railway Labor Act of 1926 governed labor relations on the nation’s railroads.\textsuperscript{79}

By 1960, textile unions such as the TWUA, frustrated with the pace of change and the continued decline of the industry, were openly calling for quotas on textile imports. The call placed the TWUA at odds with the AFL-CIO executive council, which in 1957 had officially voiced its support of the RTAA, even as it sought to balance preserving American economic prosperity with the need to promote international economic cooperation as a counterweight to the Soviet Union. “Americans must realize that we cannot build our own prosperity and security in economic isolation. In our economic no less than in our political decisions, we must recognize the growing interdependence of the peoples of the Free World. Economic cooperation among the nations of the Free World is essential to advance the welfare of humanity and to meet successfully the growing challenge of Soviet imperialism.” The executive council called for Congress to reauthorize the Reciprocal Trade Agreements Act for five years, but also asked Congress and the Eisenhower administration to make “the promotion of fair labor standards in international trade” a fundamental objective of trade policy. This would be accomplished through the negotiation of multilateral trade agreements. By establishing and maintaining fair labor standards, the executive council wanted to ensure that low-wage nations exporting their goods to the

\textsuperscript{79} Memo to TWUA Locals, Joint Boards & Staff from Victor Canzano, Textile Workers Union of America, February 27, 1959, in MS 134, Box 3, Folder 33 (1959-60 Correspondence), SCUA-UMass.
United States raised their wages and working conditions to compete more equally with, rather than undercut, their American counterparts. The executive council also called for Congress to support legislation to create trade adjustment assistance to workers, communities, and firms affected by imports, arguing that the federal government, by adopting the philosophy that trade was in the national interest, also assumed the responsibility for addressing the impact of import competition on workers, communities, and industries caused by trade liberalization.⁸⁰

The TWUA also requested the development of international trade policies allowing each nation to give each country the right to use quotas to protect their textile sector, and the elimination of the two-price cotton system. “We are witnessing the results of the United States Government’s failure to come to grips with the problem of foreign trade in textiles,” the TWUA executive board declared in 1960. “To leave the American market open to this developing invasion is to invite the destruction of the domestic textile industry.”⁸¹

“The New Generation Offers A Leader”: John F. Kennedy, Textile Defender

For years, members of Congress from New England had expressed their concern over the decline of the region’s textile industry. Their ranks increased by one in the midterm elections of 1946. The election that fall placed both houses of Congress in Republican hands; in the case of the House, the Republicans picked

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⁸⁰ “Statement of the AFL-CIO Executive Council on Foreign Economic Policy,” February 8, 1958, RG 13-005, Box 1, Folder 10 (AFL-CIO Economic Policy Committee 1958/01-1958/02), GMMA, NLC.

up 55 seats to emerge from the election with a 242-vote majority, ending the Democrats’ 16-year control of that branch of Congress. The election was largely seen as a reflection of public discontent with President Harry Truman’s handling of postwar economic dislocations, including a spike in the cost of living triggered by the end of wartime price controls, shortages of consumer goods and housing, and a wave of disruptive strikes.

Lost amid the Republican takeover of Congress was a victory for Democrats in Massachusetts’ 11th congressional district, where Rep. James Michael Curley stepped down to run for mayor of Boston. Replacing Curley in Washington was a man who described himself in campaign literature as a “Naval Hero, International News Correspondent, and General Chairman of the 1946 Convention of the Veterans of Foreign Wars” – John Fitzgerald Kennedy, the son of businessman and ambassador Joseph P. Kennedy. Not one to be shy about self-promotion, a Kennedy campaign flyer prominently displayed his headshot over the phrase “The New Generation Offers a Leader.” The photo, however, featured Kennedy’s familiar mane atop a gaunt face, making the 29-year-old look especially experienced – perhaps wearied – for his age.82

While the young Kennedy was a political neophyte, he wasted no time getting involved once he arrived in Washington. The freshman congressman was placed on the Education and Labor Committee in 1947, in time for its markup of the Taft-Hartley Act, which effectively checked the activities of organized labor and opened the door for states to enact “right-to-work” legislation that

prohibited “closed shops” where prospective employees were required to join unions as a condition of employment. As the legislation went to the House floor in April 1947, Kennedy – whose bona fides with organized labor were in question before his election, in part due to his patrician upbringing – seized the initiative and went on the floor to oppose the legislation. Unions, Kennedy conceded, had committed excesses “that have caused this country great discomfort and concern” in the dozen years since the Wagner Act was enacted.

Meanwhile, speaking of provisions in the version of the bill sponsored by Republican Rep. Fred Hartley of New Jersey, which was more restrictive than the counterpart offered by Ohio Republican Sen. Robert Taft, Kennedy said he was inclined to support some of the bill’s provisions, including those aimed at ending “feather-bedding, racketeering, and arbitrary combinations of unions” that conspired to rig prices and conditions in unions’ favor. Still, he opposed the bill because it would “in its present form strike down in one devastating blow the union shop, industry-wide bargaining, and so strangle collective bargaining with restraints and limitations as to make it ineffectual.

“This bill does not assure the worker freedom and the men who wrote this bill must have known that it does not,” Kennedy continued. “It destroys with high-sounding words the power of labor unions to bargain equally with the employers. It will if passed in its present form bring not peace but labor war – a war bitter and dangerous.”83 The speech won the attention of New York Herald Tribune columnist Raymond J. Blair, who wrote that Kennedy delivered “the

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83 Telegram from John F. Kennedy to Francis X. Morrissey, April 16, 1947, Folder “Labor: Minority Report, 14 April 1947,” Box 94, JFK Pre-Presidential Papers, House of Representatives Papers, JFKL.
most effective opposition speech” to the bill. Kennedy fought the legislation to the end: while Congress voted to override Truman’s veto of the bill, Kennedy voted to uphold the veto.

Kennedy also set out to establish credentials in the area of international affairs, calling attention to the activities in Europe at the dawn of the Cold War. But international interests soon intertwined with the needs of the textile industry in the commonwealth of Massachusetts. As the recession of 1949 and industry consolidation threw thousands out of work, Kennedy began to propose solutions to aid the industry and meeting with labor groups to discuss their concerns. By 1951, Kennedy was calling for a regional bloc of New England legislators to advocate for the region’s common interests – especially in issues of industrialization and economic development – in much the same manner as southern legislators. While no New England congressional caucus emerged, in the late 1950s the governors of the six New England states did assemble a committee to examine issues affecting the region’s economy, specifically its textile industry.

Kennedy also sought to burnish his standing with organized labor by proposing a larger role for labor-management cooperation as part of the Korean

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84 Telegram from T.J. Reardon Jr. to Frank Morrissey, April 17, 1947, Folder “Labor: Minority Report, 14 April 1947,” Box 94, JFK Pre-Presidential Papers, House of Representatives Papers, JFKL.

War defense effort. At times, his proposals were geared toward pragmatic ends, as in 1951, when Kennedy proposed federal agencies award defense contracts to industries in distressed areas of New England as a way to ease the unemployment affecting nearly 250,000 people in the region. In this address, Kennedy highlighted several advantages of the South – lower wages, abundant cheap electricity, and lack of unionization – as a reason for the industry’s decline in New England. In his address, Kennedy cited a description from an unemployed textile worker in Maynard, a town just west of Boston. In the process he identified a lack of steady work for many textile employees in the region, in addition to simmering resentment at a federal government failing to act on behalf of its unemployed citizens while taking the lead on international affairs:

We have been thrown out of work here the last three winters from five to six months at a time. It is cruel what they have done to the people of Maynard. Most of them are too old to do anything else. …They cannot get another job—too old, they are told. They only worked a few months in 1950, and their checks have run out so nothing is coming in. This country has billions for [foreign affairs] but not a dime for here.87

On other occasions, Kennedy’s discussions of the problems facing the textile industry showed he was aware of its plight. While his Boston-area district had little to no textile industry, his actions kept the issue in the public eye and


87 “Statement of Congressman John F. Kennedy,” Surplus Manpower Committee Panel, March 27 (1951?), Folder “Massachusetts Commerce Speech Materials,” Box 93, JFK Pre-Presidential Papers, House of Representatives Papers, JFKL.
introduced him to new voters, whom Kennedy met in tours across the commonwealth. This was reflected in 1952, when Kennedy, while preparing to take on sitting Senator Henry Cabot Lodge Jr., called for action to aid the New England branch of the industry.\(^{88}\) Sometimes, Kennedy’s proposals came with naked political calculations. Such was the case in September 1952, when he asked the Labor Department’s Examining Board to eliminate the regional wage differential between textile workers in New England and the South, arguing that the minimum wage for textile workers needed to be set on a national basis, rather than a regional one.\(^ {89}\) The proposal was an old one that had been ignored for years (the old Textile Workers Organizing Committee, the forerunner of the TWUA, and other textile unions had raised the issue since at least 1937, to no avail); its timing came amid a tight Senate race between Kennedy and Lodge, which Kennedy ultimately won by just over 70,000 votes out of 2.3 million votes cast.

In the commonwealth’s textile centers, Kennedy made big gains over the incumbent Lodge defeated in 1946, Democrat David I. Walsh. The biggest turnaround came in Bristol County, home to New Bedford, Fall River, and Taunton, where Lodge had defeated Walsh in 1946 by just 128 votes. In 1952, Kennedy easily defeated Lodge with 58.55 percent of the vote (Kennedy ran well


\(^{89}\) “Statement of Congressman John F. Kennedy – Washington, D.C. Friday September 5, 1952” and News Release, Friday, September 5, 1952, both Folder “Labor Speeches, Folder 1,” Box 93, JFK Pre-Presidential Papers, House of Representatives Papers, JFKL. While Kennedy had made earlier comments about the north-south textile wage differential in December 1951, the timing of his 1952 remarks amid a Senate campaign on the wage differential issue, which had made no progress in years, is telling. See Folder “Labor, Massachusetts CIO Industrial Union Council, 7 December 1951,” Box 96, JFK Pre-Presidential Papers, House of Representatives Papers, JFKL.
ahead of Walsh, receiving 110,000 votes, compared to 66,000 for Walsh in 1946). In other areas, Kennedy did not win but ran closer to Lodge than Walsh did six years before. In Middlesex County, where Lowell was located, Kennedy drew 272,000 votes, nearly double the 138,000 Walsh received in 1946. While Lodge defeated Kennedy in Middlesex, he won the county with 50.4 percent of the vote, down from 63.9 percent in 1946. The pattern was similar in neighboring Essex County, home to Lawrence: Kennedy received 138,000 votes, nearly double the 71,000 Walsh received in 1946. Lodge, who had defeated Walsh with 62.2 percent of the vote in 1946, defeated Kennedy in Essex by only 591 votes six years later. Several factors can be attributed to Lodge’s defeat in 1952, most notably his relative lack of effort on the campaign trail as opposed to Kennedy’s, and his work to draft Dwight Eisenhower over Sen. Robert A. Taft to run for the GOP nomination, a move that angered conservative Republicans. However, Kennedy ran ahead of Walsh in 1952, especially in textile centers, a performance that points to Kennedy’s adroitness in using textile and labor issues to show his interest in helping textile workers in Massachusetts as well as the communities in which they lived. In calling for aid to the industry and to reduce or eliminate the wage disparity that still existed between the New England and southern branches of the textile industry, Kennedy was signaling his intention to preserve the industry and workers’ jobs in communities like New Bedford, Lowell, and Lawrence. In the early 1950s, Kennedy used textiles and labor issues to introduce himself to communities across Massachusetts, rising from a young member of

the House to becoming the state’s junior senator in 1952. Eight years later, Kennedy would replicate and employ that formula on a larger scale to unite Democrats around issues of economic revitalization and win over southern textile industry officials as part of his effort to seek the presidency.

From 1953 through 1957, Kennedy’s first four years in the Senate, he continued to build on his track record of seeking protectionist legislation to aid the textile industry, its workers, and the New England communities that had been affected by industrial decline. “While I have spent a good deal of time and Labor and Public Welfare and other committees, I have been ever mindful of my 1952 pledge to ‘do more for Massachusetts,’” Kennedy wrote in a memorandum distributed to supporters and constituents. His efforts on behalf of textile workers and the industry included asking the Eisenhower administration for limits on wool textile imports and voluntary agreements with Japan and Italy to restrict exports of some cotton textiles to the United States, all of which succeeded. But other measures were defeated, such as an amendment to the Mutual Security Act of 1953 that would have limited cotton textile imports from nations aided by the Marshall Plan. In his memorandum to supporters, Kennedy sounded a confident note that the efforts to aid the industry had provided some help. “While there has been a serious decline in the New England segment of the industry, the over-all rate of decline seems to have been arrested,” he wrote. Kennedy also mentioned items of specific interest to labor, such as amendments to Taft-Hartley intended to halt “runaway shops” – companies that moved, largely from New England to the South, in search of cheaper labor and to escape unionization. In addition, Kennedy was one of the co-sponsors of the area redevelopment legislation introduced by his Senate colleague, Paul Douglas, in
1955 – the bill that had attracted the support of the TWUA, AFL-CIO, and the industrial unions. Finally, Kennedy supported a bill to extend minimum wage coverage under the Fair Labor Standards Act to additional workers and a bill to strengthen the Walsh-Healey Act governing federal contracts for manufacturing.  

Kennedy’s feelings that the textile industry was improving did not last, as the recessions of 1957 and 1960 further slowed the U.S. economy and import growth exploded in that period. By 1960, Kennedy had emerged as the Democratic nominee for president. As was the case with his 1952 Senate race, the 1960 presidential campaign was shaping up to be a tight one, with Kennedy and Vice President Richard Nixon competing for votes everywhere. With reports of textile and clothing imports surging from Japan and Hong Kong, textile industry executives proved to be a crucial constituency for both the senator and the vice president. A trade publication, America’s Textile Reporter, published a front-page editorial as an open letter requesting Kennedy and Nixon outline their policies “in connection with textile imports and subsidized exports of cotton – what your policy on these matters will be, if elected.”

With interest high on the subject, Kennedy and Nixon both met with textile executives in the summer of 1960 to seek their support and to promise aid to their industry. Kennedy also wrote responses to textile executives wondering what he would do for the industry if elected. “I believe that I have some appreciation of the problem faced by the textile industry as a result of increased

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imports,” Kennedy wrote one executive who worried that imports would harm his company and the textile industry overall. “The Democratic platform specifically provides: ‘We shall support practical measures to ease the necessary adjustments to industries and communities which may be inadvertently hurt by increases in imports.”’

The senator also produced statements on his background in aiding the industry and outlining what he would do as president. Kennedy said he had urged the Eisenhower administration to use its powers to reduce imports on cotton and woolen textiles, and that he had voted for quotas on cotton textile imports beginning in 1956. “The textile and apparel industries, which employ two million people, require special attention,” he wrote, vowing to use the power of the presidency to shape foreign trade policy in a way that would aid the textile industry. “Both industries are international, and both are peculiarly susceptible to competitive pressures, particularly from low-wage countries. … The problems brought about by imports based on low wages and low raw material costs will not disappear by neglect, nor can they be solved by a piece-meal approach which only operates when people are unemployed and mills are closed. A comprehensive, industry-wide remedy is necessary.”

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94 “Draft Statement,” in folder “Campaign Materials: Textiles (1 of 2),” Box 13, Feldman Papers, JFKL.
Kennedy also fielded questions on textile trade from other interested parties, such as B. A. Rittersporn Jr., a New York public relations professional and executive director of the Committee on Foreign Trade Education, who asked for clarification of Kennedy’s tariff policies following a June 14 address in the Senate in which Kennedy called for the United States to “adopt more consistent tariff policies.” In response, Kennedy wrote: “I believe in the elimination of unnecessary burdens to international trade. But when a national tariff policy results in preventing an industry otherwise entitled to relief from obtaining that relief, ‘trade adjustment’ is necessary.”

The attention Kennedy paid to textile executives was not lost on southern governors like Democrat Ernest F. “Fritz” Hollings of South Carolina. At Hollings’s urging, on August 30, 1960, Kennedy met with the governor in Washington to talk about solutions to the industry’s problem; Hollings provided the senator with data on textile imports compiled by Gordon McCabe, a vice president of J. P. Stevens & Co. Kennedy the next day released a letter to Hollings in which he agreed with the Pastore Committee’s findings that sweeping changes in U.S. foreign trade policy were unnecessary but called for “a comprehensive industry-wide remedy” to aid the textile industry. “Clearly, the problems of the Industry will not disappear by neglect nor can we wait for a large scale unemployment and shutdown of the Industry to inspire us to action,” Kennedy wrote, adding a promise to “explore and work out solutions within the

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95 Letter from B. A. Rittersporn, Jr., to John F. Kennedy, June 23, 1960, and letter from John F. Kennedy to B. A. Rittersporn, Jr., August 8, 1960; both in folder “Campaign Materials: Textiles (1 of 2),” Box 13, Feldman Papers, JFKL.
framework of our foreign trade policies” for textiles and apparel if elected. Hollings made the letter public in South Carolina, and Robert C. Jackson, the executive vice president of the American Cotton Manufacturers Institute, also circulated it to the 1,500 ACMI members. The media response to the letter disappointed Hollings, but Kennedy’s sentiments nevertheless found an encouraging reception among textile executives. “This group publicly are all Republican, but a few of the individual members are beginning to break over,” Hollings reported back to the Kennedy campaign in late October. “We are still working on them.”

Amid the bustle in the final month of the presidential campaign, one of Kennedy’s Senate colleagues from New England, Republican Styles Bridges of New Hampshire, proposed a program to aid the domestic textile industry. Bridges’ 12-point program, released October 15 and referenced in a letter to the Kennedy campaign from a trade publication, was highly protectionist. It started by proposing textile import quotas based on nation of origin and specific categories of textiles. Bridges also proposed changes in tax provisions to aid the industry; an end to the “two-price cotton” system, and adjustments to the U.S. foreign aid budget to prevent other nations from expanding their textile industries to produce exports. Bridges also called for legislation to aid depressed areas – a measure that had been caught in a struggle between Congress and the

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96 Letter from Ernest F. Hollings to John F. Kennedy, August 26, 1960; letter from Kennedy to Hollings, August 31, 1960; letter from Robert C. Jackson, American Cotton Manufacturers Institute, to ACMI Members, August 31, 1960; all in folder “Campaign Materials: Textiles (1 of 2),” Box 13, Feldman Papers, JFKL.

Eisenhower administration between 1957 and 1960 – and suggested the federal government ask foreign nations to avoid industrialization through textiles and instead pursue developing goods for export in industries where their American counterparts were more able to withstand international competition.⁹⁸

Kennedy’s narrow election over Nixon in the 1960 race came at a time when the nation’s commitment to trade liberalization was strengthening as its commitment to worker protections came increasingly under assault. The growth of imports was on the minds of labor leaders like Barkin and McDonald, manufacturers, as represented by the ACMI, and policy makers like the president-elect. For textile labor, Kennedy’s election represented a victory for a man they had supported. Despite the setbacks of Taft-Hartley and its failure to organize the South through Operation Dixie, Kennedy’s election still hinted at the possibility that unions could finally see progress in realizing parts of their political agenda, such as fighting imports, establishing trade adjustment assistance, and getting area redevelopment legislation signed into law. For textile industrialists, especially those in the South whom Kennedy had courted in the summer of 1960, the Massachusetts senator still represented a bit of an unknown quantity as to whether he would protect the textile industry from imports. Yet both labor and industry were hopeful that Kennedy, who had voiced support for import quotas, would follow through.

As the 1950s gave way to a new decade, the textile industry was at a crossroads. Years of increased productivity were offset by employment declines,

⁹⁸ Bridges’ 12-point plan was originally published in the Boston Sunday Herald on October 16, 1960. Letter from Frank P. Bennett, America’s Textile Reporter, to David L. Hackett (JFK campaign assistant), October 18, 1960, in folder “Campaign Materials: Textiles (1 of 2),” Box 13, Feldman Papers, JFKL.
import competition, and decaying textile centers. Kennedy would try to meet the
hopes and concerns of textile labor and executives, all within a framework driven
more by the Cold War and international affairs and less by the longstanding
communications surrounding the nation’s textile industry.
CHAPTER III
‘Can’t You and Congress Do Something Please’: The Kennedy Administration and the Global Textile Trade

The domestic textile industry, by all indications, was hurting by the early 1960s. Declining employment levels at home, paired with rapid growth in imports (made possible in part by exports of subsidized domestic cotton), made manufacturers and unions take stock and act to save the industry. The textile manufacturers’ trade group sought protection by negotiating voluntary agreements with other nations to restrict their textile exports to the United States. Labor leaders considered policies that would revitalize communities and retrain workers who had lost their jobs as a result of import competition.

All indications seemed to support the assumption that John F. Kennedy would take definitive action to help the textile industry upon his election in 1960. He hailed from a textile-producing state and had formed bonds with organized labor during his time in Congress. As a representative and senator, he had sought protectionist measures and tried to answer the concerns of business and labor leaders who wanted to keep the industry viable. While running for the presidency, he won the support of southern textile executives, pledging to protect the industry and bringing the South into his electoral coalition.

As president, Kennedy tried to deliver on these promises, yet faced a delicate balancing act: while he undertook efforts to protect the textile industry, he also rededicated the nation’s foreign policy apparatus to the principle of trade liberalization. The moves, while apparently contradictory, suggest Kennedy offered protectionism to the textile industry in order to secure passage of a
sweeping trade act in 1962, as Thomas Zeiler argues.\(^1\) In seeking to update Hull’s reciprocal trade policy, Kennedy wanted to increase American trade with the rest of the world, especially as the Cold War intensified and the nations of Western Europe “began to step out from America’s shadow and project a distinct regional identity,” as Alfred Eckes and Zeiler stated in describing this period of large international transformations.\(^2\) Cold War political calculations required keeping Western Europe, Latin America, and developing African and Asian nations tied to the United States and out of the Soviet orbit. In addition to trade issues, Kennedy faced yet another challenge. While seeking to make good on his promises to protect textile interests, largely in the South, Kennedy had to simultaneously respond to the growing direct nonviolent action protests of the black freedom movement – a touchy subject for the southern textile industry, which still reserved nearly all its jobs for whites.

Worker security, meanwhile, deteriorated further in the Kennedy years. Textile labor unions enjoyed influence with the administration, winning passage of bills to provide the worker retraining and community development programs they and other unions had sought for years. On the issue of trade, labor’s weak presence in the textile industry made itself evident yet again. Textile and apparel unions expressed concerns about the potential for imports to imperil their industry, even threatening a strike at one point and forcing Kennedy to intervene. But much of organized labor, including AFL-CIO President George

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Meany, backed the president’s trade expansion bill, supporting Kennedy’s Cold War policy over the concerns of textile labor regarding imports.

**New Frontier, Old Problems: Trade and Textiles in a Cold War World**

With his inaugural address on January 20, 1961, John F. Kennedy’s New Frontier came into being. Although some critics found his speech bombastic, much of the American public was enthusiastic about Kennedy’s youth and energy. Kennedy also found a favorable response in his call to action to promote American ideals around the world, a sentiment made evident in his oft-quoted admonition: “Ask not what your country can do for you; ask what you can do for your country.”

Domestic affairs were almost completely absent from the inaugural address. Kennedy was far more interested in international rather than domestic affairs; in fact, during the drafting of the inaugural address, Kennedy had directed Ted Sorensen, his speechwriter, to “drop the domestic stuff altogether.”

“Foreign affairs is the only important issue for a President to handle, isn’t it?” Kennedy once asked his vanquished opponent in the 1960 election, outgoing Vice President Richard Nixon. “I mean, who gives a shit if the minimum wage is $1.15 or $1.25, compared to something like Cuba?” As a result of his disinterest in domestic policy – which was largely dominated by civil rights issues – and a suspicious Congress, whose key committees were controlled by Southern Democrats, Kennedy could not often surmount their opposition,

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Despite having in Lyndon Johnson a vice president who knew the levers of power in the Senate and was no stranger to using them from his days as its majority leader. As Robert Caro has noted, a mutual mistrust among Johnson, JFK, and his brother, Robert Kennedy, poisoned the well of goodwill and shackled Johnson’s ability to accomplish anything of significance in Congress on the administration’s behalf during his tenure as vice president.6

Despite Kennedy’s fascination with international affairs over domestic events, the story of the Kennedy administration seemed, at first glance, to be driven by domestic struggles – largely over civil rights – that invoked divides among various factions of the New Deal political coalition, most notably among northern and western liberal ethnics versus more conservative southern whites who still clung to power through disenfranchisement of southern blacks. There were also divides between organized labor – who saw in Kennedy an opportunity to resume a legislative program that included revitalization from the economic downturn of the 1950s – and business, who eyed Kennedy with suspicion. In the international arena, military and Cold War tensions dominated, as evidenced through the failed Bay of Pigs invasion, the building of the Berlin Wall, the deepening American involvement in the Vietnam War, and the Cuban Missile Crisis. Yet in one area, keeping up with new developments in world trade, Kennedy tied the disparate areas together, seeking to promote economic recovery at home while maintaining American economic access to new common markets in western Europe and Central America. It was a difficult task. With the world economy expanding as the U.S. economy went into and out of recession during the 1950s, Kennedy was likely the first president in the postwar era to

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face the challenge of using trade to carry out foreign policy goals while attempting to stimulate the nation’s economy.

The Kennedy presidency began amid a recovery from a recession that began in late 1959 and overshadowed much of the 1960 presidential campaign. For the domestic textile industry, that recession was compounded by a surge in imports in 1959 and 1960 that virtually eliminated the U.S. foreign trade surplus in textiles. In 1955, the United States exported $195 million more of cotton, wool, and synthetic textiles than it imported; by 1960, that surplus was a mere $20 million.7

For the textile industry, Kennedy hoped to achieve the goals of domestic economic recovery and international trade expansion without cutting off trading partners’ access to American markets and upending the international trade regime the United States had nurtured since the 1930s. JFK sought to impose protectionist measures on the global textile trade, while offering other incentives to help the domestic textile and apparel industries compete with the increased production of other nations. By doing so, he sought to use economic negotiations, both domestically and internationally, combined with limited and temporary measures to aid the industry while rejecting import quotas, a popular request of textile manufacturers, labor unions, and workers. This stance as president represented a shift from JFK’s time in Congress, when he had supported import quotas to aid the state’s textile industry. In acting to save the

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domestic textile and apparel industries, Kennedy’s actions also highlighted the common concerns that existed among textile executives (by now dominated by southerners), and organized labor officials (mostly ethnics) of the Northeast, both of which enjoyed access to the Kennedy administration. In the case of textile labor, such access arguably represented the high water mark of its influence within both a presidential administration and the New Deal political coalition.

**Dismantling the Color Barrier: JFK, Southern Textiles, and Civil Rights**

For southern textile manufacturers, Kennedy’s aid to the industry represented a paradox. Textile executives who might otherwise have opposed the federal government’s involvement in business affairs welcomed the assistance Kennedy extended to the industry through his executive branch agencies. Yet on the issue of civil rights – an issue in which the administration asserted itself more frequently and forcefully as the civil rights movement rolled on during the early 1960s – white southerners in general, and textile executives in particular, were less welcoming.

Civil rights closely shadowed the 1960 election and, at times, intertwined with economic concerns triggered by the recession and import competition. The late winter and spring of 1960 saw the rise of the sit-in movement, spurred by college students and spreading across the South, then culminating in the creation of the Student Nonviolent Coordinating Committee. Later in the year, as Kennedy and Fritz Hollings sought to win the support of southern textile executives, civil rights intervened once more: in October, Martin Luther King Jr. was arrested during an Atlanta sit-in and transferred to a state prison in the dead of night on a probation violation. A week later, responding to fears from King’s
family that he might be harmed or killed in prison, the Kennedys, who had been reluctant to campaign much among African Americans to that point, stepped into the case. Senator Kennedy called Coretta Scott King to offer support while his brother, Robert, berated the judge involved in the case. A day later, King was released from prison.\textsuperscript{8}

Once Kennedy was in office, the textile industry’s fears of intervention on civil rights were quickly realized. Industry resistance to federal anti-discrimination efforts began when Kennedy signed Executive Order 10925 on March 6, 1961, which banned racial discrimination among government contractors. Those anti-discrimination efforts continued past Kennedy’s presidency, including the Civil Rights Act of 1964 and federal lawsuits aimed at opening up the textile industry’s hiring practices from the 1960s onward.\textsuperscript{9}

The new federal action on civil rights threatened to undo decades-long hiring patterns in southern textiles, where mills employed an overwhelmingly white workforce. White southerners, by and large, were also wary of federal intervention in local affairs, especially in the area of civil rights. Such intervention could reverse local, segregated practices, or end racially biased patterns in the dispensation of federal resources.

Southern textile executives ran an industry that virtually excluded African Americans from its workforce, to the chagrin of civil rights leaders, and shunned even private efforts to desegregate. The federal effort to aid a largely segregated


industry at a time when the same government was acting on civil rights posed no small level of concern to Southern executives.\textsuperscript{10}

Kennedy’s efforts to save the industry, rooted in his years of representing Massachusetts in Congress, could also determine the electoral success of his party and his own political prospects. As a New England politician who had selected a Texan, in Johnson, as his running mate, and through his overtures in 1960 to textile executives, Kennedy knew the importance of the South in electoral politics, as well as the importance of the textile industry to that region. Acting to preserve the industry’s existence, then, could serve at least three purposes: aiding the economy of Kennedy’s home region, New England; preserving the industry in the South; and making the South politically attractive for future Democratic candidates. The forcefulness with which the administration handled the growing civil rights protests, however, had the potential to overshadow his work to keep the textile industry viable.

**Partners in Aiding the Economy: Organized Labor and Kennedy**

As the United States sought to recover from the recessions of the 1950s, organized labor representatives saw in the 1960 election an opportunity to involve themselves in suggesting changes they felt were essential to helping workers and the overall economy. As with civil rights, the economy, along with Cold War politics, remained a constant issue in the 1960 election. Organized labor offered its support for Kennedy, including the TWUA, which became the

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\textsuperscript{10} Minchin, *Hiring the Black Worker*: 76-80. Textile executives, especially in the South, utilized a number of defenses against hiring African Americans, most often in response to the American Friends Service Committee (AFSC), which ran a “merit employment program” to increase African American employment in nontraditional jobs. The AFSC reported the southern textile industry displayed the most resistance to its efforts. See Minchin, *Hiring the Black Worker*: 17-23.
first labor union to endorse Kennedy at its convention in Chicago in June 1960—a point TWUA President William Pollock could not help but emphasize in extending an invitation to the sitting president to attend the 1962 TWUA convention.\textsuperscript{11}

In a memo shortly after the 1960 election, AFL-CIO research director Stanley Ruttenberg described a nation besieged by imports, which accelerated economic decline in cities and regions during much of the 1950s, making it more difficult for those regions to recover by private efforts alone; a public role was also needed, he argued. Ruttenberg also outlined economic problems caused by slow economic growth and structural factors like industry migration, automation, and varying productivity among economic sectors—all issues he thought needed government intervention to address. “The impact of imports on specific segments of industries and on particular communities is similar to the problems posed by technological change and distressed areas,” Ruttenberg wrote. “Here, too, the problems cannot be solved by the efforts of private groups, alone.”\textsuperscript{12}

Three weeks before Kennedy took office, members of the AFL-CIO’s economic policy committee gathered in Washington to debate when to voice their concern about the recession that was taking place and policies that might be undertaken to address it. Among the topics the committee decided to wait until February to address was the nation’s “balance of payments” problem, as the United States was beginning to show deficits in the overall payments with

\textsuperscript{11} Letter from William Pollock, President, Textile Workers Union of America, to John F. Kennedy, January 19, 1962, Folder T, Box 575, WHCF, JFKL.

\textsuperscript{12} “Stanley Ruttenberg Memo, 15 November 1960,” in RG 13-003, Box 2, Folder 17, GMMA, NLC.
several nations. David Dubinsky, the ILGWU president, and Joseph Keenan, the president of the International Brotherhood of Electrical Workers (IBEW), also urged the committee to mention import competition along with the balance of payments issue “in order to show that while we are against over-all restrictive practices, against imports, there are certain domestic industries that are confronted by import competition, and therefore must be handled on a particular basis.”¹³

From seeking legislation to create the Area Redevelopment Act to urging tax and policy changes to boost the economy, labor representatives were not reticent to engage anyone, as economist Nat Goldfinger, the AFL-CIO’s chief researcher, demonstrated in a letter to an Illinois business representative. “It is our firm view that the difficulties of recent years are related to the lack of adequate growth of markets,” Goldfinger wrote. “As a result, we have been urging programs which we believe would stimulate the more rapid increase of sales – which, in turn, would increase not only employment but business profits.”¹⁴

Textile labor’s assertiveness in this period was indicative of labor’s significance as part of the New Deal coalition. The weakness of textile labor, however, afforded brief glimpses of the influence it could have exercised within the Kennedy administration. By virtue of Kennedy’s New England background,

¹³ “Minutes of Economic Policy Committee Meeting,” January 4, 1961, RG 13-005, Box 1, Folder 12 (AFL-CIO Economic Policy Committee 1960/01-1962/10), GMMA, NLC.

he happened to hail from the one region where textile unions were the strongest, as opposed to the region – the South – where much of the industry lay.

Nonetheless, the TWUA’s Solomon Barkin recognized the potential for textile unions to exercise its influence with the White House and federal policymakers at a level they had not enjoyed, arguably, since Sidney Hillman and the ACWA wielded influence of legendary proportions with Franklin D. Roosevelt. “I believe that we are witnessing the recreation of an atmosphere in Washington which resembles the one we experienced in the days of the Roosevelt Administration,” Barkin wrote in an early 1962 memo to TWUA president William Pollock, in which he urged the union to seize the opportunity to take advantage of the broad knowledge of the trade union movement’s goals and support for those goals within the executive branch. “Our advice and counsel are being sought on many matters of direct interest to trade unions. … Moreover, there is a widespread recognition that a virile and growing trade union movement is essential to the success of the present Administration’s legislative program, and its ultimate reelection.” While stating his worries that the labor movement was missing a chance to advance its priorities and the Kennedy administration was failing to set its policy agenda, Barkin said the labor movement had the opportunity and responsibility to offer advice and technical assistance, to aid the administration in forming programs and enacting its agenda, and develop a cadre of technicians and Washington representatives to help the administration.15

15 Memorandum from Solomon Barkin to William Pollock, Textile Workers Union of America, February 19, 1962, in letter from Barkin to Stanley Ruttenberg, AFL-CIO, February 23, 1962; both in RG 13-005, Box 4, Folder 54, GMMA, NLC.
Concern over the economy was also on the minds of textile workers who wrote Kennedy to remind him that textile imports had increased by 50 percent in 1959 and 1960. “I believe it is safe to quote other men in the textile industry when I say, ‘When imports go up, American jobs go down,’” said one textile worker from North Augusta, South Carolina.16

Others shared with the president their anxiety about the effects of imports on their jobs and work schedules. One, a worker from Phenix City, Alabama, listed the trappings of a middle-class lifestyle he had enjoyed over the 28 years he had worked in textile mills, most importantly the achievement of “a fair standard of living” that allowed him to raise and educate his children and purchase a home. “I’ve seen textiles struggle during depression years, and I’ve seen the patriotic part they played during wartimes, but I’ve never seen textile conditions quite what they are now due to the flood of textile imports that furnish such unfair competition to our industry,” he wrote.17 “I have been working for Washington Mill’s Company for a long time and this is the first time we have ever been on short time this long,” added a man from the Blue Ridge hamlet of Fries, Virginia.18 “Won’t you please do something about the foreign imports?” implored a woman from North Carolina. “I work at the Statesville Narrow Fabrics Inc. It has been almost four years since all of our looms have run.”19

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16 Letter from Nathaniel V. Bradford to John F. Kennedy, August 30, 1961, Folder “TA/Textiles 7-12-61–12-5-61,” Box 944, WHCF, JFKL.

17 Letter from Truman Robinson to John F. Kennedy, April 12, 1961, Folder “TA/Textiles May 25, 1961,” Box 944, WHCF, JFKL.

18 Letter from W.G. Gunter to John F. Kennedy, July 3, 1961, Folder “TA/Textiles 7-12-61–12-5-61,” Box 944, WHCF, JFKL.
Added a textile worker from Anderson, South Carolina: “I voted with millions of other workers for a Democratic government to do everything possible for America first. My wages have been cut $1500.00 per year because of these foreign imports. We help foreign workers to help themselves. Will they help us at any time? No.”

Other workers, already displaced by mill closures, worried about bleak futures with few employment options. Antone Viveiros, a 45-year-old from Fall River, Massachusetts, and jobless after 22 years’ work in the mills, fashioned a letter with three pages of rough-hewn poetry to Kennedy. In it, Viveiros depicted a dystopian landscape of abruptly unemployed men desperate to remain breadwinners yet fearful they could not find new jobs:

Mr. President Kennedy
Can’t you and Congress do something please
So we men can go back to work
To once again support our families...
We were once proud and happy
Especially on every pay day line
Then we came home with our heads held high...
But now when pay day rolls around
All we do is hang our heads
For we are no longer proud and happy...

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19 Letter from Margaret Summers to John F. Kennedy, September 10, 1961, Folder “TA/Textiles 7-12-61-12-5-61,” Box 944, WHCF, JFKL.

20 Letter from H. Clyde Hardy to John F. Kennedy, June 30, 1961, Folder “TA/Textiles 7-12-61-12-5-61,” Box 944, WHCF, JFKL.
Mr. President Kennedy

Can’t you and Congress do something please
So we men of forty-five can find a job
To once again support our families
I don’t want to go on the welfare
I’m not asking for something for nothing
All I want is a job no matter how hard
A decent wage to support my family…

The Administration Responds: JFK’s Seven-Point Plan

In the first month of his administration, Kennedy began to address issues related to textiles and trade. Building upon his years of involvement on the subject in Congress, the Kennedy administration laid the groundwork for a broad range of solutions from executive agencies that promised to stem the increase in imports that had attracted concern from industry and labor alike. On February 16, Kennedy established the Interagency Textile Administrative Committee (ITAC), filling it with five members of his cabinet: Commerce Secretary Luther Hodges, Agriculture Secretary Orville Freeman, Labor Secretary Arthur Goldberg, Treasury Secretary Douglas Dillon, and George Ball, undersecretary of state for economic affairs.

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21 Letter from Antone Viveiros to John F. Kennedy, n.d. [1962], Folder “TA/Textiles 12-6-61–7-31-62,” Box 945, WHCF, JFKL.

The ITAC was charged with investigating the problems of the textile industry and propose solutions the agencies could undertake to aid the industry. While the ITAC appointments encompassed labor, business, agricultural, and trade policy, the selection of Hodges as chairman was a nod to his southern origins (he was a governor of North Carolina) as well as to the textile industry itself. Before entering politics, Hodges had worked his way up from a millworker to an executive at one of the mills that later became part of the Marshall Field chain – a background that was likely to find favor with industry executives. As governor, Hodges had also stood with manufacturers during a bitter textile strike that began in 1958 – a detail that likely did not escape the notice of labor or the industry.23

Shortly after Kennedy appointed the ITAC, the AFL-CIO executive council issued a statement on international trade policy in which it noted its quarter-century support of reciprocal trade and called for new policies to keep pace with international trade demands surfacing in the 1960s. Because trade had not kept pace with new demands, “the results have been a slowdown in trade expansion, no real help for specific industries and workers hurt by imports, and mounting threats to reverse the entire U.S. trade policy,” the council wrote. The new policies, including an American effort to lower trade barriers, “must improve and expand trade relations with the free world while assuring practical,

23 In November 1958, two TWUA locals struck the Harriet & Henderson Mills in Henderson, North Carolina, about 20 miles north of Raleigh, closing the mills for three months in a dispute over the continued use of a longstanding joint labor-management employee grievance procedure. The mill owners later hired replacement workers to take the strikers’ jobs. Hodges called out the state Highway Patrol to protect the mill and the replacement workers; he later replaced the troopers with members of the National Guard. The TWUA, demoralized and defeated, officially ended the strike in June 1961. See Daniel J. Clark, Like Night and Day: Unionization in a Southern Mill Town (Chapel Hill: University of North Carolina Press, 1997).
up-to-date flexible safeguards for certain U.S. workers and industries against injury from import competition.” The council called for the United States, GATT, and ILO to seek “effective, multilateral solutions” to prevent disruptions in industrialized nations from sudden increases in imports from low-wage nations. Other suggestions included a program of trade adjustment assistance (TAA) to help workers and communities affected by imports, and changes in tax policy to reduce the incentives for American companies to invest abroad. “The American labor movement will continue to follow the trade union tradition of supporting the national interest, in international trade policy, as it has in other U.S. policies. … Labor has supported a liberal trade policy but we insist that gradual reduction of trade barriers must not entail a callous disregard for American workers displaced by imports.”

The AFL-CIO amplified the Executive Council’s position later that year in a report on the nation’s major manufacturing sectors. It found, with the exception of the textile and apparel industry, that virtually all American manufacturing sectors were strong across the board, exporting more in goods from the United States than the United States imported from their foreign counterparts. The AFL-CIO report hinted at numerous challenges, such as the formation of the European Common Market and the European Free Trade Association, as well as the Latin America Free Trade Association and the Central American Common Market in Latin America. These organizations were leading both Europe and Latin America to eliminate their internal tariff barriers with each other and reduce their external tariff barriers faster than the United States,

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24 “Statement by the AFL-CIO Executive Council on International Trade Policy,” February 26, 1961, RG 20-003, Box 15, Folder 8, GMMA, NLC.
under RTAA, could reduce its outside tariff barriers with the individual nations or the new supranational bodies. In addition, the more rapid lowering of tariff barriers in Europe and Latin America had prompted American business to invest more heavily in both regions in order to get “behind the tariff walls” and take advantage of trade without having to contend with uncertainty of American tariffs. In concluding its report, the AFL-CIO called for a new program of tariff reduction with the United States’ foreign trading partners; better protections for American industries, communities, and workers harmed by imports; and better monitoring of trade patterns via GATT and the ILO.25

While the ITAC carried out its directives with the work of Hodges and White House aide Myer Feldman, Japanese labor leaders negotiated issues of importance involving international affairs and trade with a number of American government and labor officials during a goodwill trip to the United States between February 19 and March 10. The negotiations did not, apparently, include any public discussion of the controversial issue of imposing limits on exports to the United States.

In March, Meany and Minoru Takita, chairman of Zenro (the Japan Trade Union Congress) and president of Zensen Domei (the Japan Textile Workers Federation) issued a joint statement describing talks they had during Takita’s goodwill visit. During his visit, Takita met in conference with Kennedy, Secretary of State Dean Rusk, Labor Secretary Goldberg, Chester Bowles, the undersecretary of state, and United Nations ambassador Adlai Stevenson. In

25 AFL-CIO Research Department, “AFL-CIO Looks at Foreign Trade: A Policy for the Sixties” (1961): 4-5; “AFL-CIO Looks at Foreign Trade”: 74-82; both in RG 34-002, Box 5, Folder 21, GMMA, NLC.
addition to meeting with Meany, Takita also met other members of the AFL-CIO executive council, TWUA President Pollock, and George Harrison, the chairman of the AFL-CIO committee on international affairs. Meany and Takita reached six agreements, mainly centered around Cold War goals: cooperating with the ICFTU to “defeat the efforts of communist penetration and subversion”; participating with ILO and GATT to find “more effective solutions to economic problems” and seeking trade liberalization where possible, “to the advantage of the workers of our respective countries”; opposing totalitarianism and colonialism; concentrating efforts in the economic sphere to raise living standards in the free world; creating more bilateral trade union exchanges; and extending cooperation to Africa, Asia, and Latin America.26

As the ITAC drew up its plans for aid to the textile industry, pressure mounted in Congress and among the American public for Kennedy to impose import quotas on textiles – pressure that intensified following a similar call from a subcommittee headed by Senator John O. Pastore, a Rhode Island Democrat, and debates in both houses of Congress on problems facing the textile industry. Requests for quotas flowed in from workers. “Our jobs are mighty important to us and our families, and we believe you can help us through quotas,” wrote a worker from upstate South Carolina.27 Workers’ calls for quotas were joined by requests from individual members of Congress, as well as the congressional delegations of New Hampshire, North and South Carolina, Georgia, and

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26 Joint statement of George Meany and Minoru Takita, March 3, 1961, RG 20-003, Box 16, Folder 1, GMMA, NLC.

27 Letter from C. H. Borders to John F. Kennedy, August 23, 1961, Folder “TA/Textiles 7-12-61–12-5-61,” Box 944, WHCF, JFKL.
Alabama. Kennedy himself had supported import quotas as a senator, but now was reluctant to follow through for fears of triggering an international trade war. Over the remainder of Kennedy’s presidency, the calls for import quotas were repeatedly raised as critics objected to the administration’s efforts to aid the industry and as textile import levels continued to increase.

While members of Congress and the public asked for import quotas, some labor unions took more direct action. In February, the ACWA voted to boycott cutting Japanese imported cloth after Japan refused to impose limits on the number of men’s and boys’ suits it exported to the United States. On March 9, a day after Kennedy discussed import competition and tried to downplay the ACWA’s threat during a White House press conference, the ACWA announced its boycott would begin on May 1. ACWA President Jacob Potofsky called the boycott “an action taken with a grave sense of responsibility to hundreds of thousands of workers in the apparel industries of this country, whose livelihood

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has been placed in serious jeopardy by the failure thus far of our government to devise adequate means to meet our problem.”

Potofsky noted an explosive increase in imports of various apparel items in recent years: imports had increased to 50 percent of knit gloves sold in the United States, as well as 10 percent of cotton sport shirts and 20 percent of trousers produced domestically. Furthermore, imports of shirts had increased from 2,400 per year to 23 million—all despite futile efforts by the ACWA to use a variety of remedies designed to protect domestic markets from imports. “The President could not have been talking of the apparel industry when he spoke of imports as one or two per cent of the domestic market,” Potofsky said. “We have watched item after item of apparel increasingly affected by rising imports. We have seen our shops close down and our workers thrown out of work by competition based on wages of 10 and 12 cents an hour and shocking work conditions.” The issue that the textile and apparel industry had to confront, he concluded, was a “threat of death.”

The ACWA boycott declaration led to a flurry of exchanges between the union and the White House, and a meeting at which Kennedy laid out his concern about the boycott: While the ACWA was concerned about the rapid increase in imports of Japanese apparel, highlighting a potential threat to its members who cut cloth for apparel manufacturing (and a direct threat to suit makers, where the ACWA got its start in the 1910s), suit imports still comprised less than one-third of 1 percent of the 17 million suits produced in the United

31 Statement of Jacob Potofsky, ACWA, March 9, 1961, Folder “TA Textiles May 25, 1961,” Box 944, WHCF, JFKL.

32 Statement of Jacob Potofsky, ACWA, March 9, 1961, Folder “TA Textiles May 25, 1961,” Box 944, WHCF, JFKL.
Furthermore, the United States enjoyed a $179 million trade surplus with Japan, and allowing the ACWA boycott to proceed could inspire other unions to impose boycotts of their own against Japanese goods, or even invite similar retaliation by Japan against American exports. The ACWA called off the protest on April 18 at Kennedy’s request, but not before the TWUA pledged its full support of the boycott and simultaneously called for all textile unions to put up a “united front” against import competition, apparently forgetting the alliance it had entered into a year earlier with the ACWA, the ILGWU, and the United Hatters, Cap and Millinery Workers, under Potofsky’s direction, to fight imports from Japan and Hong Kong. The ACWA also inspired a short-lived proposed boycott from a Chicago local of the International Brotherhood of Electrical Workers, which announced it would refuse to use Japanese electrical components.

In May 1961, after receiving a list of proposals from Hodges and the ITAC, Kennedy issued a seven-point plan intended to benefit the textile industry. The administration approved a new depreciation schedule for textile companies, allowing further modernization, and established an accelerated research schedule for textile products. It addressed the issue of “two-price cotton,” directing the Tariff Commission to begin hearings on whether to impose a fee on


each pound of cotton imports to offset the 8.5-cent agricultural subsidy the United States provided for each pound of raw cotton exports. The Kennedy administration also asked the Office of Emergency Planning to “determine whether the national security requires limitation of imports of cotton textiles.”

Finally, Kennedy directed the State Department to negotiate with other textile producing nations and reach agreements to slow, at least temporarily, the pace of imports. The announcement of the seven-point plan intersected again with civil rights; this time, it was the “Freedom Rides,” in which an interracial group of protesters traveled through the South in an ultimately successful effort to force the desegregation of interstate transportation facilities.

Responses to the Seven-Point Plan

As Kennedy found it difficult to placate civil rights protesters without angering segregationists, his administration found similar difficulties in its efforts to aid the textile industry. They could not please textile industry supporters in business and labor, who called for protectionist measures, while improving relations with other nations through trade liberalization. Although the seven-point plan was generally well received, the textile industry and members of Congress were unhappy with both the administration’s decision to negotiate with other nations instead of imposing quotas; they were also unhappy

36 “Memorandum on Textile Problems,” December 11, 1961, Folder “TA/Textiles 12-6-61–7-31-62,” Box 945, WHCF, JFKL.

37 The Freedom Rides triggered mob attacks, arrests, and finally, a hastily brokered deal between the Kennedy administration and the governors of Mississippi and Alabama to stave off further violence. Publicity around the attacks of the Freedom Riders, who protested in bus and airport facilities between May and November 1961, forced the Kennedy administration to call for a “cooling-off period” and direct the Interstate Commerce Commission to desegregate interstate transportation, which it had failed to do. Branch, Parting the Waters: 412-450.
with the proposed import limits. Supporters of import quotas were unhappy that the administration chose 1960 import and export levels as the baseline. In that year, textile imports increased 64 percent over the previous year and imports of cotton goods exceeded exports, as the South Carolina congressional delegation pointed out in a letter to Kennedy.38

Of specific concern was a decision in June 1961 by Ball, the under secretary of state, to negotiate an initial international trade agreement outside of the GATT framework that only addressed cotton textiles, leaving out wool, silk, and man-made fibers. The White House immediately reassured members of Congress that negotiations would cover all textile sectors.39

The State Department’s proposed negotiations also would allow an increase in textile imports from Japan and give other participating nations an opportunity to increase their textile and apparel exports to the United States. “It is the considered opinion of all of us in the House and Senate alike that Mr. Ball’s program will insure the continued deterioration of the U.S. industry,” Rep. Carl Vinson, a Georgia Democrat, and Sen. Pastore wrote in a letter to Kennedy, adding that Ball’s proposed negotiation was “a piecemeal and entirely inadequate program which is not in accord with your own pronouncements” and urging Kennedy to scrap Ball’s proposal if it were the only effort the


administration planned to attempt. The White House quickly responded, stating that Ball’s negotiations were “one of a series of steps to assist the textile industry” and that the State Department had been asked “to get the best possible relief, not only for cotton but for other fibers.”

White House records do not indicate any rivalries between executive branch agencies on the seven-point plan. However, letters from textile executives to the Kennedy White House indicate dissatisfaction with the State Department’s role in the seven-point plan and fears that State would undercut the textile industry. Nearly three decades after winning the power to negotiate trade agreements under the RTAA, State Department officials handled trade negotiations with a degree of secrecy that rankled textile executives accustomed to having access to cabinet secretaries and the White House. At the same time, textile executives expressed confidence that they would receive favorable receptions with other executive branch agencies, such as the Office of Civil and Defense Mobilization. In April 1961, textile industry representatives asked the office to designate the industry as vital to national security; such a designation would allow Kennedy to take additional executive actions to curb imports.

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40 Letter from Carl Vinson to John F. Kennedy, June 22, 1961, and letter from John O. Pastore to John F. Kennedy, June 22, 1962, both in Folder “TA/Textiles 5-26-61–7-11-61,” Box 944, WHCF, JFKL.

41 Letter from John F. Kennedy to Carl Vinson, June 30, 1961, and letter from John F. Kennedy to John O. Pastore, June 30, 1961; both in Folder “TA/Textiles 5-26-61–7-11-61,” Box 944, WHCF, JFKL.


Members of Congress and textile executives were not the only ones concerned that the State Department might place trade liberalization and U.S. foreign policy goals above supporting the domestic textile and apparel industry. The AFL-CIO, which supported the seven-point plan and the STA, was concerned about maintaining the 1956 “voluntary export restriction” arrangement between the United States and Japan. And while Japan had largely abided by the 1956 agreement in which Japan and Hong Kong limited their textile exports to the United States, Japan also felt they had been injured between 1956 and 1960 as American importers shifted some of their textile and apparel orders to Hong Kong. In response, Japanese officials wanted to negotiate higher import levels under the 1956 agreement. The State Department, hearing these concerns, granted Japan in late 1961 a 33.33 percent increase in the number of men’s and women’s trousers and shorts it could export to the United States and authorized an overall rise in the 1961 shipments of woven cotton apparel – agreements that, to the AFL-CIO Executive Council, were reached without consultation with labor and industry, and in disregard of the disruption both might have on U.S. apparel markets.44

With the 1956 agreement set to expire by the end of 1961, the United States made further concessions during bilateral negotiations with Japan governing woven and knit cotton apparel, prompting the Executive Council to deride the agreement because it disregarded the STA import guidelines, limited the ability to control market disruption, provided abnormal increase in Japanese imports of knit and cotton garments (a 14 percent increase over 1960 levels and a 10 percent

44 AFL-CIO Executive Council Statement on Recent Developments in International Trade Policy,” October 12, 1961, RG20-003, Box 16, Folder 6, GMMA, NLC.
increase during the course of 1961), and provided no adequate safeguards against concentration of imports on one item. “This development poses a serious threat to a successful, multilateral approach to the solution of mutual problems faced by apparel importing and exporting nations,” the Executive Council declared, calling for increases in Japanese imports to be offset with import reductions from Hong Kong and other nations.45

In an effort to argue for additional power to negotiate trade deals and allay fears that in his effort to advance U.S. foreign policy objectives Ball would undermine the industry through a broad support of free trade, the Kennedy administration produced a memorandum in which it argued their intent to both pursue liberal trade policies and offer protection to industries that needed it. While Ball was committed to liberal trade policies, they argued, he was also interested in the need to aid industries “which require Government assistance to maintain their health.”46 Furthermore, the administration argued in its memorandum, Kennedy was moving with sufficient speed on the seven-point plan, in contradiction to the claims of slow progress. “Only 7 months have passed, and in that time, there has been a respectable series of Administration announcements. Never before has so much progress been made in so short a period of time.”47 The White House made sure to share the memorandum with at

45 AFL-CIO Executive Council Statement on Recent Developments in International Trade Policy.”

46 “Memorandum on Textile Problems,” December 11, 1961, Folder “TA/Textiles 12-6-61–7-31-62,” Box 945, WHCF, JFKL.

47 Ibid.
least one prominent textile executive, hoping to get the administration’s arguments before the industry.⁴⁸

On May 15, 1961, Andrew Biemiller, a former teacher and member of Congress from Wisconsin who became a lobbyist for the AFL in 1953, then chief lobbyist for the AFL-CIO following the 1955 merger, announced organized labor supported Kennedy’s seven-point program for the textile industry. Labor also supported Kennedy’s proposal for an international conference of textile-producing nations for the purpose of establishing some textile quotas to avoid damaging industries in nations like the United States. He felt that an international conference could be set up through GATT or an independent conference, including the United States, Japan, India, Portugal, Spain, Egypt, France, Pakistan, Korea, Taiwan, and Hong Kong, among others. The seven-point plan was arguably part of a favorable treatment of Kennedy’s agenda in Congress in his first months in office. On the Mutual Broadcasting System’s “Labor News Conference,” a weekly public affairs program produced with the AFL-CIO where labor officials and Washington news reporters discussed issues of interest to labor, panelists noted the seven-point plan joined passage of the Area Redevelopment Act and a minimum wage bill, with strong support of a House coalition formed by 30 liberal Republicans, Democrats from the North and West, and a smattering of southern Democrats, whom Biemiller did not identify by name or district in the broadcast.⁴⁹

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In a May 1962 broadcast of “Labor News Conference” with longtime labor journalist John Herling, Biemiller sketched out labor’s recent history in seeking relief for the textile industry. While the TWUA and AFL-CIO sought a comprehensive study of the industry’s ills, Biemiller said he and Ruttenberg had been meeting with White House officials to discuss the health of the industry. Biemiller also called on Kennedy to pass legislation providing assistance for workers and communities affected by imports.\(^{50}\)

When pressed for details about the various forms of trade assistance organized labor might support, Biemiller offered several options, including retraining workers, modernizing plants, and even converting plants to other forms of production when they could no longer compete in an international marketplace under their existing use. Biemiller also called for American trade negotiators to seek a system of textile import quotas as part of the international conferences being established under Kennedy’s seven-point plan: “We prefer to have international quotas established, rather than having the United States act unilaterally because if that happens, then we are obviously going to offend some of our friends throughout the world,” he said.\(^{51}\) Biemiller suggested planning for the international conference could be organized through GATT’s standing committee on economic disruption, adding that he hoped for answers “to this very tough problem where imports of textiles and clothing have had some adverse effects on the American labor and economic market.”\(^{52}\)

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51 Ibid.

52 Ibid.
Limiting Textile Trade Outside the GATT Framework: The STA and LTA

During the early summer of 1961, representatives of 16 GATT nations convened in Geneva, Switzerland, to negotiate an agreement on limiting the growth of imports of cotton textiles. By July 26, participants had reached an agreement outside the GATT framework, meaning the agreement would only apply to the 16 signatory nations, as opposed to all GATT member nations. The “short-term arrangement” (STA) would begin on October 1, 1961, and remain in place for a year. During that time, nations participating in the STA could reach agreements with other countries to reduce imports for more than 60 categories of cotton textile imports, or take unilateral action to reduce imports in the absence of an agreement. In early 1962, 19 textile-producing nations reached agreement on a five-year pact to succeed the STA. The Long Term Arrangement Regarding Cotton Textiles (LTA), which broadened the voluntary export agreements the United States negotiated with Asian exporting nations, gave participants the option to limit imports against nations that did not join the agreement.53

As negotiations proceeded on regulating the international textile trade, Kennedy resisted the widespread calls to impose unilateral import quotas on textiles. Instead, he sought to limit imports through GATT and multilateral conferences, following the example of the 1961 Geneva conference that yielded the STA. By using multilateral conferences and the international trade framework, Kennedy sought to strike a trade compromise with other textile-producing countries; simultaneously, pursuit of this goal helped the president avoid a trade war, which the use of import quotas would likely do because such

a move would be seen by trading partners as aggressive. At the same time, negotiating through multilateral conferences allowed Kennedy to maintain his administration’s commitment to greater trade liberalization.

Where Kennedy saw these moves as a way to limit imports without reverting to the heavy hand of import quotas, textile workers and executives worried about the industry’s viability saw quotas as a way by which the United States could quickly squelch the threat of textile imports and save textile workers’ jobs. This assumption, however, ignored other factors at play. According to the TWUA, textile industry productivity in 1960 was as high as in 1947. Yet the number of workers had declined by nearly 40 percent over that period, making plain the industry’s increased use of automation. As other nations had rebuilt from World War II, the United States’ trade partners increasingly saw the American market as a source of consumers whose purchases provided currency that could be used to pay off war debts or to underwrite further industrialization. But while free trade supporters saw a balance of trade that favored the United States and American dominance in the textile industry, even as competing producers such as Japan, Hong Kong, and Great Britain were closing the trade gap, manufacturers saw a threat to be contained.

Between the threat of economic disruption represented by imports, as well as the potential for social and political disruption through the ongoing civil rights movement, executives continued to press for import quotas as a means of

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establishing some security for the textile industry. “I believe, when the facts are
known, you will realize that an overhaul of textile import quotas is sorely needed
if we are to protect our industry and our working forces,” wrote a mill official at
Tuscarora Cotton Mill in Mount Pleasant, North Carolina. “Since the flood of
cheap yarn imports about a year ago, our people here at Tuscarora have been on
three days a week.”

The North Carolina-based Combed Yarn Spinners Association sent a
resolution that decried the reduction of tariffs on textiles under the RTAA, the
proliferation of foreign manufacturers using cheap cotton and labor, and the
explosion of cotton yarn imports (from 837,145 pounds in 1958 to 15,140,680
pounds in 1960). The association asked for protective tariffs and quotas on
textiles to protect the domestic industry “toward the end that thousands of
Americans shall not suffer for the sake of giving advantage to foreign
competitors.” A director of Burlington Industries chimed in from New York,
hailing the voluntary export restrictions reached with Japan in the late 1950s and
suggesting import quotas as a “sound and logical approach” to protect the 2
million Americans who worked in textiles and apparel. And a local in
Manchester, New Hampshire – where employment at the Waumbec Mill had
dwindled from 1,350 workers in 1951 to 350 by 1961 due to a rapid influx of

May 25, 1961,” Box 944, WHCF, JFKL.

56 “Textile Resolution Adopted by the Combed Yarn Spinners Association, Inc., 3 March 1961,”
and letter from J.R. Campbell, Executive Secretary, Combed Yarn Spinners Association, to John F.
Kennedy, March 8, 1961; both in Folder “TA/Textiles May 25, 1961,” Box 944, WHCF, JFKL.

57 Letter from Graham B. Blaine, Tucker, Anthony & R.L. Day, to McGeorge Bundy, February 7,
1961, Folder “TA/Textiles May 25, 1961,” Box 944, WHCF, JFKL.
Japanese textiles – passed a resolution urging Congress and Kennedy to establish import quotas and tighten textile tariffs.\textsuperscript{58} 

One Alexander City, Alabama, textile executive sought to make further connections between imports and international issues. He noted that some observers, citing economist Joseph Schumpeter’s theories of creative destruction, had suggested that Japan and Hong Kong take over textile manufacturing. While such a move might leave American mills to make other products more efficiently, it also left the United States vulnerable to the sudden loss of access to another nation’s textiles if nationalization took place: “Where would we be if, when we do that, a Japanese Castro comes along?” he pondered.\textsuperscript{59}

\textbf{A Missed Opportunity: Organized Labor and the Politics of Trade}

The push to save the domestic textile industry through Kennedy’s seven-point plan was taking place within a larger debate in the labor movement about the direction of trade policy. This debate pitted unions from industries that were strong in exporting goods and ran trade surpluses against unions fighting imports and representing industries with trade deficits. Sometimes trade was addressed only tangentially, as was the case on May 15, when the AFL-CIO’s Ruttenberg appeared on a radio show dealing with labor issues. While he made no specific mention of trade issues (he urged a public works program and tax cut to boost the domestic economy), he referenced the Area Redevelopment Act. In

\textsuperscript{58} Letter from Paul H. Daniels, New Hampshire Senate, to John F. Kennedy, May 29, 1961, Folder “TA/Textiles 5-26-61–7-11-61,” Box 944, WHCF, JFKL. In the letter Daniels makes reference simply to “Local Union #1344” without further describing its affiliation; this appears to refer to TWUA Local 1344 at Waumbec Mills.

doing so, he focused attention on a bill that the TWUA, as part of its response to industrial decline driven by import competition, had championed during the 1950s despite two vetoes from the Eisenhower administration. The bill passed both houses of Congress early in 1961, and Kennedy signed it into law on May 1. The act created a four-year program by which no fewer than seven federal agencies provided about $300 million in assistance – including business loans, public infrastructure improvements, and workforce training – to communities with high unemployment.

The debate among unions on whether to support or challenge trade liberalization surfaced again in a speech from AFL-CIO President George Meany to the International Association of Machinists’ inaugural conference on world trade in November 1961. Meany acknowledged a range of opinions on trade among unions:

We have unions in such industries as pottery, shoes and garments that do little or no export business. To them, foreign trade is a one-way street – all coming in. So from their point of view, the less goods that come in, the better they like it. Then we have unions in plants that make trucks, agricultural implements and certain kinds of machinery, an appreciable amount of which is sold overseas. To them, the one-way street runs in the other direction. From their point of view, the more trade there is, the

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better off they are. And finally we have unions like [the IAM], where the street runs both ways.\textsuperscript{61}

Meany, however, emphasized the dominance of American exports and argued the concern over imports were limited. Complaints about imports were directed to about 30 percent of U.S. imports – roughly $5 billion of the $15 billion of goods entering the country at the time. The value of American exports, meanwhile, equaled the combined exports of Great Britain and West Germany. American export output was five times the value of Japanese exports, and six times that of Italy. Further, he said, 2.5 million nonfarm U.S. jobs, as well as another 600,000 farm jobs, depended upon exports, while another 1.4 million jobs were created by imports, pointing up the importance of trade. “This country cannot prosper, or indeed, cannot even maintain itself, without imports from foreign countries,” he said.\textsuperscript{62}

By defending imports and delineating three distinct philosophies on trade among labor unions, Meany effectively consigned textile and apparel unions to the segment of the movement on the losing side of trade issues. Hailing from import-sensitive industries, such unions were relatively weak, with the exception of one large industrial union – the Steelworkers, representing an industry in which capacity for steel exports was declining.\textsuperscript{63} That camp also included the United Mine Workers (who were concerned that reduced industrial capacity due to trade would affect demand for coal), and small unions representing

\textsuperscript{61} George Meany, speech to First Conference on World Trade of the International Association of Machinists, November 29, 1961, RG 20-003, Box 16, Folder 7, GMMA, NLC.

\textsuperscript{62} George Meany, speech to First Conference on World Trade of the International Association of Machinists, November 29, 1961, RG 20-003, Box 16, Folder 7, GMMA, NLC.

\textsuperscript{63} Stein, \textit{Running Steel, Running America}: 29.
shoemakers, potters, and hatters. Just as labor’s failure to establish a presence in southern textiles denied workers a voice and allowed textile manufacturers to exercise near-total control of its plants, that same failure silenced its a voice within the labor movement on issues of trade.

In the second group outlined in Meany’s speech were unions like the United Auto Workers and the International Union of Electrical, Radio, and Machine Workers, representing workers in industries that manufactured goods not widely available outside the United States; in contrast to workers in textiles, apparel, and steel, these workers stood to gain from increased trade. Finally, the IAM would be categorized alongside the Teamsters, whose leaders recognized its members would gain from expanded trade but were concerned, nevertheless, that declines in U.S. industrial production could affect fellow workers in manufacturing unions.

Meany tried to bridge the divides within labor by searching for a middle way in which the AFL-CIO could support trade liberalization while also protecting its member unions against its costs. “Now obviously some imports have caused a loss of jobs; otherwise we wouldn’t have a problem,” he said. “We think measures ought to be taken to make up for those losses.” But Meany argued imports equaled only 3 to 4 percent of the total national product, and of that amount, only 30 percent were competing with American goods. The result, Meany said, was that “the whole area in which damage may occur is limited to about 1 percent of your national product.” Yet, he allowed, the narrow scope of import competition did not matter to workers who lost jobs because of imports.64

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64 George Meany, speech to First Conference on World Trade of the International Association of Machinists, November 29, 1961, RG 20-003, Box 16, Folder 7, GMMA, NLC.
In his address, Meany set up a crude calculus to explain the need for freer trade in the context of the Cold War. He argued that trade had not just economic importance, but also political implications as a defense against communist totalitarianism. Nations seeking to industrialize begin, as a rule, with the kind of industries that are easiest to set up, such as textiles. They want to – and they must – export a part of their output in order to get funds to buy the things they lack and cannot yet make for themselves. … If we and other developed countries do not buy from them, they won’t have the money to buy from us. If we exclude their goods, they will be forced to exclude ours. And they will turn in desperation to the Soviet Union, even at the cost of becoming economic satellites.  

Meany made clear that the pursuit of expanded trade was unsustainable without a strong and growing American economy that provided full employment. For this reason, labor proposed and supported policies that would expand the economy. Meany called for two changes in a proposed reauthorization of the RTAA to increase its effectiveness and diminish its harmful effects. First, he said, the president should have greater flexibility to negotiate tariff reductions, counter to efforts to limit the president’s power in previous renewals of the RTAA. Second, the president needed greater power to take action to limit the impact of imports, without waiting for the U.S. Tariff Commission to find injury from imports before the president could raise tariffs or impose import quotas. Meany also called for the creation of a trade adjustment

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65 George Meany, speech to First Conference on World Trade of the International Association of Machinists, November 29, 1961, RG 20-003, Box 16, Folder 7, GMMA, NLC.
assistance (TAA) program to aid workers who lost their jobs as a result of increased imports.66

In addition to supporting free trade while conceding some of its flaws, Meany called for an expansionary monetary and fiscal policy to help the nation end what he termed “the rollercoaster of frequent recessions and incomplete recoveries” and strengthen the economy. “The upturn from the recession needs additional expansionary force if it is to continue through 1962 towards an approach to full employment,” he wrote in a letter to The Philadelphia Inquirer. Otherwise, the economy would be in danger of stalling, with unemployment increasing and plants idle. He supported a Keynesian approach that increased federal expenditures with the goal of a balanced budget during times of maximum manpower and production; expanded public works; a less restrictive monetary policy to ensure low interest rates; and efforts to reduce long-term unemployment, such as a job retraining bill pending in Congress that would become the Manpower Development and Training Act of 1962.67

While Meany placed his hopes with Kennedy’s plans to expand the economy, other labor leaders in the AFL-CIO Executive Council, which counted the ILGWU’s Dubinsky and the ACWA’s Potofsky among its members, worried that imports were contributing to economic contraction instead. The executive council was becoming more aware about import competition and its potential effect on industries. In October 1961, the executive council declared, “large-scale influxes of imports from low-wage countries have adversely affected U.S.

66 George Meany, speech to First Conference on World Trade of the International Association of Machinists, November 29, 1961, RG 20-003, Box 16, Folder 7, GMMA, NLC.

67 George Meany, “Article for Philadelphia Inquirer,” December 18, 1961, RG 13-003, Box 1, Folder 62, GMMA, NLC.
domestic production and employment recently in such industries as textiles and apparel.” At the behest of unions like the ACWA, ILGWU, and TWUA, the federal government asked GATT officials to consider the rapid influx of imports amid the 1958-1959 recession as a “market disruption” that destabilized the domestic industry. Such pressure and continued deterioration in the textile and apparel industry led to Kennedy’s seven-point program. “An important phase of this program was based on the desirability of working out multilateral understandings among exporting and importing nations in order to regularize international trade in textiles and apparel and in order to avoid market disruption.”68 The executive council regarded the seven-point plan favorably; furthermore, it considered the STA “a major advance in providing an internationally acceptable approach to the orderly marketing of cotton textiles and apparel.”69

When trade issues surfaced in the Kennedy administration, imports were already an issue of importance for industries like textiles and apparel that faced challenges from lower-cost nations. Cold War considerations were also not far from the surface, as labor, business, and political figures recognized. Each had their own specific set of concerns to address: industry and labor were worried about low-cost competition, while textile unions, concerned about the decline of communities facing industrial losses were also trying to organize southern textile workers.

68 “AFL-CIO Executive Council Statement on Recent Developments in International Trade Policy,” October 12, 1961, RG20-003, Box 16, Folder 6, GMMA, NLC.

69 Ibid.
By the early 1960s, unions such as the International Association of Machinists were hosting conferences on world trade, reflecting labor’s concerns about the challenges they saw around the issue. The million-member IAM, the fourth largest union in the AFL-CIO, called for the conference at its 1960 convention and hosted the two-day event in Washington in November 1961, attracting 300 of its members and Labor Secretary Arthur Goldberg. Kennedy, who had been invited to speak, declined to address the conference.70

“As the leading industrial power of the world and its foremost trader, the United States is called upon to chart anew its course in trade policy. In doing so, we are confronted by revolutionary changes in the trading system of the world,” Kennedy wrote in a statement to the IAM in 1961, about a year before the expiration of the Reciprocal Trade Act. Kennedy cited the potential expansion of the European Economic Community, trade expansion with less developed nations, finding markets for Japanese exports, and the challenges of the Soviet Union as requiring the United States’ attention “if we are to assure for ourselves and our free world partners the benefits of economic growth, expanding economic opportunity and the capacity to contend with Communist economic warfare in the years ahead.”71


71 Draft statement from John F. Kennedy to A. J. Hayes, International President, International Association of Machinists, November 27, 1961, Folder I, Box 575, White House Central Subject Files (hereafter WHSF), JFKL.
In placing textile and apparel unions on the side of workers who were likely to be affected by trade and import competition, Meany effectively (if inadvertently) consigned them to being “losers” in the context of labor’s examination of trade in the early 1960s. Meany’s argument in favor of trade aligned with Kennedy on foreign policy points while siding with more powerful unions in industries that did better export business and, as a result, stood to benefit from trade liberalization. For workers in weaker unions like textiles, hailing from industries that were susceptible to import competition, Meany and Ruttenberg envisioned expansionist economic policy to create jobs for them. For those who had lost their jobs, like the Area Redevelopment Act, and programs like TAA provide new opportunities and retraining. A stronger labor presence in the textile industry might have reshaped this calculus, but it was a missed opportunity. For the time being, textile unions and their counterparts in import-sensitive industries could not alter or reshape the labor movement’s support of trade liberalization.

**Supranational Blocs, Taxes, and Trade: A Calculus of the 1960s**

Kennedy’s 1961 statement to the IAM highlighted a new chapter for trade in the postwar era. Where before trade had been considered a key for economic recovery from World War II, Kennedy now sought to place trade in the context of forging new international trade partnerships. Using a similar calculus as Meany, Kennedy’s argument for expanding trade in this period amounted to a call for greater trade with the rest of the world in order to keep those nations from establishing trade relations and closer ties with the Soviet Union.
This shift was triggered by the establishment of supranational trading blocs in western Europe and Latin America like the European Economic Community, the Latin America Free Trade Association, and the Central American Common Market. These blocs, Kennedy argued, demanded a response from the United States if the nation were to remain competitive.

The AFL-CIO also saw an economic challenge in the growth of the European Economic Community (EEC). It argued the United States faced an economic challenge as the EEC lowered its trade barriers. Between 1953 and 1960, the economic growth of the six EEC nations (West Germany, France, Italy, Belgium, Luxembourg, and the Netherlands) outstripped that of the United States: real gross national product increased 45 percent, versus 19 percent for the United States. In that period, industrial productivity in the EEC grew 71 percent, nearly four times the 19 percent rate in the United States during that period. In 1961, the six nations ended internal quotas on imports of industrial products within the EEC and replaced its individual national tariffs with a single common tariff, equalizing tariff rates for all six nations. This was a challenge for the United States: as late as 1959, two thirds of its exports to the six EEC nations went to Germany and the three Benelux nations), meaning a lower internal tariff across the EEC, versus a higher external tariff for American goods, threatened to reduce the amount of U.S. exports to the EEC. “The Common Market growth is expected to continue,” the AFL-CIO warned. “The United States has a problem. It must keep abreast and ahead of the growth of the EEC or lose its position of influence.”

72 AFL-CIO, “The Common Market and the United States” (1962 pamphlet), RG 34-002, Box 6, Folder 11, GMMA, NLC.
In addition to the six nations of the EEC, seven other nations – Norway, Denmark, Sweden, Switzerland, Austria, and the United Kingdom – had formed the European Free Trade Association (EFTA), and were interested in aligning with the EEC or joining it. Either move had the potential for the EEC to surpass the United States in population and economic power.73

The size and strength of the EEC and the EFTA (also known as the “inner six” and “outer seven”) had vast implications for American trade. Europe was the largest single export market for U.S. goods and services; in 1960, the United States exported $6 billion of goods to Europe (31 percent of American exports that year); in turn, Europe sold the United States $4 billion of goods, representing 27 percent of America’s import totals. And the $3.3 billion of exports to Europe in 1959-1960 helped alleviate the woes of the U.S. economy as it sought to recover from the recession in that period.74

To the AFL-CIO, the pattern was clear: higher standards of living across Europe meant its people could buy more consumer goods, especially those made in the United States. President Kennedy’s effort to update the RTAA would also lead to lower trade barriers with the EEC “and in so doing keep the markets of Europe open to American goods.”75

The rapid growth of Europe’s economy in comparison to that of the United States was also stimulating an outflow of dollars: American businesses increased their investment in the Inner Six and Outer Seven, from $4.3 billion in

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73 AFL-CIO, “The Common Market and the United States” (1962 pamphlet), RG 34-002, Box 6, Folder 11, GMMA, NLC.
74 Ibid.
75 Ibid.
1958 to $6.4 billion in 1960. The increased investment suggested a problem with dollar outflows as businesses, uncertain about whether tariffs between the United States and the EEC would be lowered as EEC nations lowered and its internal tariffs, with an eye toward eliminating them altogether by 1969, established subsidiaries in Europe to get “behind the wall” and take advantage of the lower internal EEC tariffs. The AFL-CIO, amid its support for lower tariff barriers, called for ending tax deferrals given to American companies for their overseas subsidiary profits – initially given in a 1954 rewrite of the federal tax code – to help repatriate U.S. income earned abroad. Such deferrals were increasingly seen as contributing to the United States’ balance of payment and trade problems, and even Kennedy and Congress had proposed ending deferrals in 1961 and 1962, but to no avail.76

“One thing seems to be certain – that unless the European Economic Community sees some signs of willingness on our part to lower tariffs, her continuing external tariff wall will mean serious problems for our domestic economy in terms of unemployment, idle plant and capacity, etc.,” the AFL-CIO reported. Kennedy wanted the power to gradually eliminate all tariffs on goods

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in which the United States and the EEC supplied at least 80 percent of the world’s trade (mainly industrial products); cut tariffs on other goods by up to 50 percent, and bargain on major categories of goods.\textsuperscript{77}

To be sure, Meany and others in the AFL-CIO also saw in these capital flows a move to depress union workers’ wages in many manufacturing sectors while enjoying increased profits by the production and sale of goods manufactured in low-wage nations by U.S. multinationals for export to and sale in the United States: “Some of these companies, as you know, piously insist that they are ‘forced’ into this kind of operation because of ‘high labor costs’ here in America. And they use that argument as a weapon to beat down the wages and working conditions of the American workers they have left,” Meany argued in his 1961 speech to the Machinists. While wages were often lower than their American counterparts, low efficiency and more expensive fringe benefits often meant American unit labor costs were still lower. Meany argued that lower taxes, rather than labor costs, were the true motivator for American companies setting up shop abroad, because the foreign subsidiary did not owe taxes until the profits were repatriated, and could also enjoy lower taxes in the new nation as well as concessions on U.S. taxes. As a result, tax differences between the United States and other nations meant profits on earnings reinvested overseas “pile up twice as fast as they do here,” Meany said, quoting a study from the American Management Association.\textsuperscript{78}

\textsuperscript{77} AFL-CIO, “The Common Market and the United States.”

\textsuperscript{78} George Meany, speech to First Conference on World Trade of the International Association of Machinists, November 29, 1961, RG 20-003, Box 16, Folder 7, GMMA, NLC.
Meany did not think any tax concessions could be “justified for companies that invest in other industrial countries, such as those in western Europe.” He thought such concessions were outrageous when the overseas plant was “designed primarily to ship goods back to the United States.” He wondered why “favors” were extended to corporations that deliberately set out, “for the sake of extra profits, to rob Americans of their jobs?” Meany suggested using tax incentives to help less developed nations establish subsidiaries for manufactures of goods to be consumed there, but not for export. Such an arrangement, he argued, would provide an incentive that was likely “in the public interest.”

**JFK’s Trade Expansion Act: Response to a New World**

Amid the growing challenge from Western Europe and Central America, as well as the overarching context of the Cold War, Kennedy opted not to simply push for a renewal of the RTAA. Rather, he proposed revamping the reciprocal trade program that Cordell Hull had set in place in 1934. Kennedy proposed a new trade program in two addresses on consecutive nights in December 1961 – the first, before the National Association of Manufacturers, the second, before the AFL-CIO. The Trade Expansion Act, as Kennedy’s trade proposal was known, would replace the RTAA by granting the president the authority to negotiate tariff reductions of up to 50 percent from 1962 tariff levels, replacing the 1930 Smoot-Hawley tariff levels that were the baseline for the RTAA. 80

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79 George Meany, speech to First Conference on World Trade of the International Association of Machinists, November 29, 1961, RG 20-003, Box 16, Folder 7, GMMA, NLC.

80 Transcript of address by John F. Kennedy to National Association of Manufacturers, 66th Annual Congress of American Industry, New York, N.Y., December 6, 1961, Folder SP 3-23, Box 921, WHSF, JFKL; transcript of address by John F. Kennedy to the Fourth Convention of the AFL-CIO, Miami Beach, Florida, December 7, 1961, Folder SP 3-24, Box 921, WHSF, JFKL.
further tariff reductions, the United States could lower its tariffs to rates that were competitive with the European and Latin American trade zones.

In his speech unveiling the TEA to the manufacturers’ group, Kennedy acknowledged similarities in their goals despite their differences of opinion and approach. At the same time, he couched the new trade program strictly in Cold War terminology – a competition between the United States and the Soviet Union for economic hegemony in Western Europe, Latin America, and the developing world. “Your organization and this Administration are both devoted to achieving a stronger, more prosperous America, in a world of free and peaceful states, making the most of our human and material resources and avoiding the most harmful effects and fluctuations of inflation and recession,” he said. Noting the efforts of the “long-range drive” of communism to “impose its way of life on all the world,” Kennedy emphasized the United States could take the initiative in economic policy, which would have a broader reach than defensive military and paramilitary efforts. Reminding his audience of the work done by the Marshall Plan, Point Four programs and the Alliance for Progress, Kennedy called the new trade legislation a “new long-range program to aid in the growth of the undeveloped and usually unaligned nations” that could yield further gains “not merely as a blow against Communism, but as a blow for freedom.” Kennedy argued that the combination of the United States and Western Europe could serve as an economic check on the growing power of the Communist bloc. “But will our strength be combined and coordinated – or divided and self-defeating?” he asked. “Will we work together on problems of trade, payments and monetary reserves – or will our mutual strength be splintered by a network of tariff walls, exchange controls, and the pursuit of
narrow self-interest in unrelated if not outright hostile policies on aid, trade, procurement, interest rates and currency?”

Kennedy outlined a series of steps the United States needed to take to build a more favorable balance of payments, which included coordinating development aid, fiscal, debt management, monetary and other policies through the OECD, new programs to attract foreign visitors and investment; removing artificial tax preferences for U.S. investment in highly developed nations and loopholes for Americans investing in “tax havens” abroad; and a program to increase agricultural exports and larger loan guarantees through the Export-Import Bank to help manufacturers export more of their goods.

In order for continued progress on exports, Kennedy called for “price and wage restraint by industry and labor, and responsible budget policies by government.” He also referenced his seven-point plan for textiles, calling for accelerated depreciation schedules for manufacturers that was applied to textile machinery and being studied for other kinds of equipment.

While the general response to Kennedy’s trade proposal was favorable, the reception was not as favorable on Capitol Hill, where textile-state representatives were still upset over the administration’s closed deal-making in crafting the STA and LTA in Geneva. By January 1962, Rep. Carl Vinson, who served as the chairman of the House Textile Caucus, was warning the president that textile-state members of Congress were still worried the State Department,

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81 Address by John F. Kennedy to National Association of Manufacturers, 66th Annual Congress of American Industry, New York, New York, December 6, 1961, Folder SP 3-23, Box 921, WHSF, JFKL.

82 Ibid.

83 Ibid.
in ongoing negotiations on the LTA, would agree to eliminate all tariff barriers on cotton textiles, undermining the domestic industry. Such worries, Vinson wrote, would bring the opposition of the textile industry and could put Kennedy’s legislative program in jeopardy in Congress – especially his proposed trade act – because “every Southern Congressman who has any cotton textiles in his District will have to oppose the program.”

But organized labor and the textile industry soon signed on in support of Kennedy’s trade program. In March 1962, Meany offered the AFL-CIO’s support before testimony on the trade bill to the House Ways & Means Committee. Meany said the federation supported Kennedy’s trade package specifically because it contained trade adjustment assistance for employers and workers adversely affected by imports. Meany also expressed his belief that expanded trade would increase, not reduce, job opportunities for American workers; were that to happen, TAA would not expand to “vast proportions”:

We support this program because we believe the time has come for a fundamental revision of our country’s trade policy. It is no longer enough for Congress to extend, to amend and to patch up the reciprocal trade legislation that has been on the books since 1934. Times have changed, the world has changed, and this country’s trade policy must be changed to meet these new conditions. ...One of the most vigorous discussions at the [AFL-CIO] convention [in December 1961] was on the foreign trade resolution. ... It is significant, I think, that some representatives of the unions that have been under the greatest pressure from imports, such as

the textile unions, rose to support this resolution. They felt that if this kind of program had been undertaken some years ago, many of the difficulties they have faced could have been avoided.85

Meany acknowledged that imports did take jobs from American workers and contributed to the contraction and collapse of businesses, even as the labor movement supported trade adjustment and Kennedy’s trade expansion program. “If we in the labor movement admit that imports can and do cause unemployment in some industries, why do we support this program? The answer is simple: Because we, and the nation, as a whole, will gain far more than we lose.”86

Vinson campaigned among textile company executives to secure support for the trade package, meeting with a group in March 1962 that included Roger Milliken, Charles A. Cannon, and Robert Stevens, among others; the executives had long complained that the seven-point plan did not go far enough to aid the industry, and Cannon was especially vocal on the need to eliminate the 8.5-cent subsidy on raw cotton exports.87 Stating that he believed Kennedy’s trade bill would ultimately pass, Vinson outlined Kennedy’s seven-point plan and argued that no other industry had ever received such support in so short a time. He sought to assuage the complaints of textile executives over portions of the program that the Kennedy administration had not yet carried out. The seven-

85 George Meany, testimony to Congress on Trade Expansion Act of 1962, March 19, 1962, RG 20-003, Box 17, Folder 2, GMMA, NLC.
86 Ibid.
point program “places the textile industry in a unique, preferential, and beneficial position,” Vinson wrote. “When I see what has now been accomplished for the textile industry, I, for one, am ready to quit while I am ahead.” Vinson later told the White House he thought the overture went well and promised the White House he would “keep on fighting with these big people in the Textile Industry” to get their support. In late March, Vinson cautioned the members of the American Cotton Manufacturers Institute against amending the trade bill to favor the textile industry, noting it could jeopardize congressional and administration support for the seven-point plan.88

On March 31, the ACMI’s members voted unanimously to support the Trade Expansion Act, pledging to help the Kennedy administration and Congress create a measure to expand international trade while preserving domestic textile production. With the ACMI’s support now in hand, Vinson believed Kennedy’s trade bill at last could get through Congress.89 Capital had joined labor in supporting the trade bill, even as the UTWA and several AFL-CIO unions continued to harbor reservations over it.90


90 While Meany and Walter Reuther testified before Congress in support of the Trade Expansion Act, other labor leaders, including George Baldanzi of the UTWA, James Carey of the International Union of Electrical, Radio, and Machine Workers, Thomas Kennedy of the United Mine Workers, and Sidney Zagri of the International Brotherhood of Teamsters, supported the bill but were concerned about the effect of imports on manufacturing. Representatives of smaller unions, like Gerald Coleman of the United Hatters, Cap and Millinery Workers, and Edwin Wheatley of the International Brotherhood of Operative Potters – as well as Frank Bennett, the publisher of America’s Textile Reporter – opposed the bill. In citing his opposition to Congress, Bennett repeated the argument from the 1930s that most-favored-nation status would extend to the low-wage nations that were poised to undercut American textiles. See House Committee on
The AFL-CIO, taking a page from Kennedy’s speeches in December 1961, continued to press its support for the trade bill. It compiled at least two pamphlets and speeches to make the case that more trade would expand the economy and overcome fears of losing industrial sectors to import competition. One pamphlet, reprinting an essay by Meany that highlighted the role of trade in American history from colonial days to the present, portrayed the EEC as similar in nature to the American republic. As the EEC had eliminated internal trade barriers, the Constitution, he argued, put an end to internal trade battles among the individual colonies and placed the new nation under a uniform national policy, creating a “common market” not unlike the EEC. “This belated emulation of the American pattern has had spectacular results,” he wrote. “The nations in the European Common Market are prosperous. Their economic growth-rate has been rapid. They enjoy virtually full employment; in some occupations there are even shortages of labor. In short, the concept of free trade, of the common market, is proving itself again in Europe as it proved itself for almost two centuries in the United States.” Meany went on to say the labor movement opposed any trade policy that allowed “all sorts of foreign goods, in any quantity whatsoever, to come pouring in, with no restrictions or safeguards whatever,” rather, it supported more trade, not less, to produce more prosperity, opportunity, and jobs. Meany called for continuing the reciprocal trade principle established by the RTAA in 1934, but with greater flexibility for the executive branch to adjust tariffs. But he not only saw an economic side to trade policy;

Ways and Means, “Trade Expansion Act of 1962” (Washington: U.S. Government Printing Office, 1962): Part 1, p. 1145 (Meany); Part 3, p. 1506 (Reuther); Part 3, p. 1713 (Kennedy); Part 3, p. 2021 (Bennett); Part 4, p. 2178 (Coleman); Part 4, p. 2210 (Zagri); Part 4, p. 2301 (Wheatley); Part 4, p. 2392 (Carey); Part 5, p. 2821 (Baldanzi).
Meany envisioned political calculations for trade that could be used in the midst of the Cold War. Trade could tilt the new nations of Africa and Asia toward the United States and the free world, and away from the communist bloc, no matter the cost at home:

In other words, if freedom is to survive and flourish in Africa and Asia – and in Latin America as well – the peoples of these continents must be convinced that the free way of life is for their material benefit as well as their spiritual salvation. *It might well be argued that if an expanded trade program meant nothing but grief for the United States, it might still be necessary to insure the preservation of human liberty in new and needy nations* [emphasis added].

Meany suggested continuing the reciprocity principle under the RTAA while giving the president greater leeway to adjust tariffs if a trade emergency were to arise. Also, Meany said, the bill needed to include safeguards that could soften the impact of imports on the national economy, as the RTAA was based on lowering trade barriers without a realization that greater trade did cause harmful side affects or problems. American adherence to this principle “by many high-minded supporters of reciprocal trade handicapped the United States for years. It prevented the development of a program to assist communities, industries and workers who were adversely affected by imports; and it thereby drove some industries (and some unions) into the protectionist camp,” Meany wrote, adding that Kennedy and the American labor movement rejected that view. “The fact is that imports *do* take jobs away from American workers – even though many

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91 “Trade, Progress and Prosperity” (AFL-CIO pamphlet), 1962, in RG 34-002, Box 6, Folder 11, GMMA, NLC.
other jobs may be created. And imports do cause the contraction or collapse of certain business enterprises – even though many new business opportunities may be opened up. These facts must be faced realistically. They must be coped with, not ignored.”\textsuperscript{92}

While businesses bemoaned high wages and protectionists claimed cheaper foreign labor priced the United States out of world markets, Meany countered by arguing total labor costs per unit of production, rather than wages, was the proper comparison. By that standard, Meany contended, the United States was equal to or better than many other nations. “We are the world’s No. 1 exporting country,” he wrote. “We sell more goods outside our own borders than any other nation. We have been selling 59 percent more to Western Europe than we buy in return; 73 percent more to Japan than we buy,” he added, arguing that the U.S. labor movement was committed to narrowing the wage gap between it and other nations and was opposed to worker exploitation. The nation’s foreign trade policy should “seek progress and security through expansion, not through efforts to preserve the status quo,” he wrote.\textsuperscript{93}

In an address to the ILGWU conference in Atlantic City in May 1962, Meany continued his portrayal of foreign trade as an economic weapon the United States could use during the Cold War. At the ILGWU conference, he joined a range of speakers including Vice President Lyndon B. Johnson and Labor Secretary Arthur Goldberg. President Kennedy and New Jersey Gov.

\textsuperscript{92} “Trade, Progress and Prosperity” (AFL-CIO pamphlet), 1962, in RG 34-002, Box 6, Folder 11, GMMA, NLC.

\textsuperscript{93} Ibid.
Richard J. Hughes did not attend but sent separate messages, reflecting the influence the union commanded among federal and state officials.

Though Meany pointedly ignored discussing import competition with the ILGWU delegates, an issue with which Meany and the union were at odds, he spoke of social, economic, and political problems facing Americans and trade unions, leading with a mention of the threat the Soviet Union posed to the United States. He then moved to portray trade as a way to “deter aggression in the Far East, in Latin America, and other parts of the globe.” Competition with the USSR was not merely military and political, he said. “It is also on the economic side. World trade has become a weapon in the Cold War.”

Meany lamented the nation’s growth rate of approximately 2.5 percent per year for the previous decade, a rate placing it lower than any industrial nation in the West. By comparison, France had a growth rate of 5 percent, and the United States needed a growth rate of between 4.25 percent and 4.5 percent to keep pace with its growing population. While the United States had prosperity, much of it was concentrated at the top, away from the economic base that lay “in the hands of the great mass of workers at the bottom of the economic ladder. In other words, what we need are jobs for all of those who are able and willing to work.” The slow growth rate was most evident in the higher unemployment rates preceding recent recessions and the slower recoveries from each. “What has this 2½ percent growth rate since 1950 meant to us?” he asked. “It has meant four recessions. …The 2½ percent growth rate means that we are slipping back; we are not moving forward. What could it mean if we allow recession after recession

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94 George Meany, address to International Ladies’ Garment Workers’ Union, 31st Convention, May 25, 1962, RG 20-003, Box 17, Folder 3, GMMA, NLC.
to come, if we get to the point when 8, 10, and 12 percent of the workforce are unemployed?"  

Amid the push to secure Kennedy’s trade program, organized labor continued to press its case for aiding the economic recovery. On June 14, Meany presented Kennedy with a memorandum on the economy in which he expressed concern about several trends and pressed the case for a tax cut: business spending had not picked up, while government spending was slow. Personal consumption had remained slow, and unemployment, while relatively low at 5.4 percent in May 1962, was higher than at similar points following the recessions of 1958, 1954, and 1949. Industry, meanwhile, was operating at 10 percent to 15 percent below optimum capacity levels. Demand between consumers, government, and business “is clearly not enough to keep the economy fully employed at present,” Meany said in calling for a temporary tax cut targeted to the lowest individual tax bracket to avoid slowing economic growth, as opposed to lower corporate taxes and tax cuts for all income brackets, which he did not support. Meany also called for ending a series of temporary excise taxes imposed during the Korean War, which he said would provide a $900 million stimulus.  

Despite the slow recovery of the economy from the 1960 recession, the United States by 1962 enjoyed a positive balance of trade, exporting $5 billion more worth of goods than it imported. Even as officials in the ACWA and TWUA were complaining about being overwhelmed by imports, other organized labor officials held a more sanguine overall view of world trade. “We had a

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95 George Meany, address to International Ladies’ Garment Workers’ Union, 31st Convention, May 25, 1962, RG 20-003, Box 17, Folder 3, GMMA, NLC.

96 Statement of George Meany, AFL-CIO news release, June 20, 1962, RG 20-003, Box 17, Folder 3, GMMA, NLC.
favorable balance of trade with every area of the world,” said George Harrison, an AFL-CIO vice president and president of the Brotherhood of Railway Clerks, at a White House conference in May 1962. “So let’s not push the panic button on this issue. We are not weak in world markets. We are strong. And we have nothing to fear from foreign competition. American workers and American business can and do produce a vast variety of goods that other peoples want and need and at prices they are willing to pay.”

In a separate address to a conference on trade policy, Harrison argued that labor supported reciprocal trade and lowering trade barriers “because we recognize the importance of expanded trade for the nation at home and abroad.” Harrison said during a conference on trade policy. In December 1961, the AFL-CIO convention gave its support to Kennedy’s call for new trade policies. “Business gains, job opportunities, and political and economic strength are essential national goals,” Harrison said. “Trade can help achieve them.” Harrison also outlined an argument for trade adjustment assistance within the trade expansion bill: “Most of the bill merely modernizes the provisions of the past and brings them up to date. But something new has been added. The game of pretending that trade cannot hurt anybody is over.”


98 Statement of George Harrison to Coordinating Council of Organizations on International Trade Policy, Conference on Trade Policy, May 17, 1962, RG 20-003, Box 17, Folder 3, GMMA, NLC.
TEA for ’62: The Battle to Pass the Trade Expansion Act

Even with the efforts to portray the trade bill as an economic weapon in the Cold War, and despite support from organized labor, textile-state politicians, and industry executives, the Trade Expansion Act faced difficult odds in getting through Congress in 1962. The proposal to include a TAA package spurred opposition in Congress from conservative Democrats and Republicans who balked at giving additional aid to workers who lost their jobs due to imports than to other unemployed workers. Its passage was still in doubt in September 1962, when Kennedy taped an address to the USWA during its 11th annual convention. “We are trying to pass legislation and we hope by the time this Congress ends, it will be substantially moved ahead,” the president said, describing a laundry list of programs to aid workers, provide health care, and build public works, as well as a new tax bill.99

A successful White House campaign and the support of constituencies like organized labor finally succeeded in getting the trade bill through Congress. Labor came on board to support the measure, as well as provisions to create the TAA program that USWA President David McDonald first envisioned in 1954. The TAA program offered supplemental unemployment benefits to workers whose firms could certify with the Tariff Commission that their jobs were lost as a result of import competition. In addition to their unemployment benefits, workers were eligible to receive up to 65 percent of their average weekly wage (up to $61 a week) for 52 weeks. Additional benefits were available: retraining workers and workers over 60 qualified for up to a year and a half of additional

99 Transcript of remarks by John F. Kennedy and David McDonald, International President, United Steelworkers of America, September 7, 1962, Folder U, Box 575, WHCF, JFKL.
benefits. Retraining workers also could receive travel allowances connected to their training expenses, as well as relocation allowances for up to two and a half times the average weekly manufacturing wage.\footnote{\thefootnotecount}

Labor had supported a TAA program in the hopes it would help displaced manufacturing workers retrain for new jobs and give a boost to sectors not affected by import competition. This flurry of seemingly sudden activity had taken years to come to fruition – for instance, the TAA was first proposed in 1954 by United Steelworkers’ President David J. McDonald; the ARA was proposed in 1957 by the TWUA’s Solomon Barkin, only to be vetoed twice by President Eisenhower.

Kennedy signed the Trade Expansion Act of 1962 into law on October 11, 1962, calling the bill “the most important international piece of legislation... affecting economics since the passage of the Marshall plan.” Though he spoke of the benefits of lowering tariff barriers in building strong economies, Kennedy described the trade law in Cold War terms, especially in opening new markets in Africa, Asia, and Latin America: “A vital expanding economy in the free world is a strong counter to the threat of the world Communist movement. This act is, therefore, an important new weapon to advance the cause of freedom.”\footnote{\thefootnotecounta}


Five days later, the Cold War intervened once more, but not in the form of abstract trade issues. Rather, it was a 13-day military showdown with the Soviets over its placement of missiles on Cuba that brought the world to the brink of a world conflict. Kennedy may have seen a new economic sphere in formulating his arguments about trade and global economic competition, but the Cuban Missile Crisis was a reminder that military issues still drove the Cold War.

**Labor and the Context of JFK’s Final Year**

As 1962 gave way to 1963, the AFL-CIO continued to voice its concerns that the U.S. economy might be slipping back into recession, pointing to small increases in unemployment and idle plants and equipment, despite a $2.5 billion cut in business taxes the Kennedy administration put into effect in 1962. Meanwhile, consumer spending continued to lag, driven by higher unemployment and shorter workweeks, and housing starts were slower at the end of 1962 than they were in the spring. Meany noted the economic trends pointed to either stagnation or decline in the first half of 1963 – a "persistent increase of unemployment and idle productive capacity," as he put it, without federal action to expand the economy. Meany called for "prompt and decisive action" to that end, specifically a $10 billion tax cut aimed at low- and middle-income taxpayers that he argued would stimulate production and spending, and a tax reforms that would close loopholes and lowering overall tax rates.102

Though economic issues were of concern to organized labor, the upsurge in civil rights during 1963 commanded the attention of the nation and the world.

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102 George Meany, “Article for Philadelphia Inquirer,” December 17, 1962, RG 13-003, Box 1, Folder 62, GMMA, NLC.
Birmingham’s “Project C” that spring, designed to produce a frontal assault on segregation in Alabama’s largest city, brought forth shocking images of nonviolent civil rights protesters being sprayed with water from high-pressure fire hoses and attacked by police dogs. Faced with international outrage at the violence in Birmingham, Kennedy finally proposed a civil rights bill to end segregation in public accommodations on June 11, only to be faced hours later with a new shock: the assassination of Medgar Evers, the Mississippi field director of the National Association for the Advancement of Colored People. Tensions continued throughout the summer, culminating with the March on Washington for Jobs and Freedom on August 28 (with significant financial support from the United Auto Workers, but not the AFL-CIO), and the deaths of four girls eighteen days later in the bombing of Birmingham’s Sixteenth Street Baptist Church.

As the year wound down, with Kennedy’s civil rights bill mired in Congress, the president again sought to focus on improving the nation’s economy. On November 15, Kennedy traveled to New York to address delegates at the AFL-CIO convention. Though textile unions had not won the import quotas they sought, they and the rest of the labor movement had several reasons to support Kennedy: during 1961, he had signed a minimum wage increase and the Area Redevelopment Act, offering support to industrial cities that had been affected by the loss of manufacturing jobs. His seven-point plan yielded, among other things, international pacts in the STA and LTA to stabilize the global trade in cotton textiles. In 1962, Kennedy had delivered a trade adjustment assistance package as part of the Trade Expansion Act, which was expected to help workers who lost their jobs as a result of import competition. He also signed Executive
Order 10988, allowing federal workers to collectively bargain, a move that had the unexpected effect of shoring up the labor movement in the United States.

Now, despite the surge in civil rights issues during the year – a movement that highlighted the need for economic access and inclusion as well as access to public accommodations – Kennedy spoke to the federation about a tax cut package he favored, along with the AFL-CIO, as the next element in the nation’s continued economic recovery, attempting to square civil rights and economic growth. To Kennedy, it all started with “the right to have a job in this country in a time of prosperity in the United States. That is the real right to work issue in 1963,” he told the delegates, turning the phrase associated with Taft-Hartley and other anti-labor legislation into an economic goal. “This issue of economic security, of jobs, is the basic issue facing the United States in 1963, and I wish we could get everybody talking about it,” he said, adding that unemployed and underemployed workers cost the national economy 1 billion lost workdays, the equivalent of a three-week nationwide work stoppage.103

“Civil rights legislation is important but to make that legislation effective, we need more jobs in the United States,” he continued. “If jobs are the most important domestic issue that this country faces, then clearly no single step can now be more important in sustaining the economy of the United States than the passage of our tax bill.”104

President Kennedy’s Seven-Point Plan, the Short-Term and Long-Term Arrangements, and the Trade Expansion Act of 1962 all marked a slight strengthening of worker security and a big boost for trade liberalization. Not

103 “John F. Kennedy’s Last Words to Labor,” RG 34-002, Box 7, Folder 8, GMMA, NLC.

104 Ibid.
since Franklin Roosevelt had a president put forth initiatives such as these to aid labor in the textile industry. Through the STA and LTA, the United States was negotiating bilateral trade agreements outside GATT to slow the pace of cotton textile imports to the United States, giving the textile industry, workers, and communities an opportunity to recover. For those communities and workers for whom such aid came too late to save their jobs, the Kennedy administration offered the Area Recovery Act to issue communities grants and loans to recover from the loss of manufacturing. In addition, workers and firms would have access to trade adjustment assistance through the Trade Expansion Act.

Yet this strengthening of the fabric of worker security and trade liberalization had limits: the overall weakness of textile unions and many of their counterparts from import-sensitive basic industries prevented them from convincing leaders like Meany of the downsides of trade liberalization. Meany, encouraged by prospects for export growth and a staunch anticommunist, saw in trade liberalization a path to continued economic dominance during the Cold War and to an expanded economy that translated into economic security for large swaths of the AFL-CIO federation. While textile unions could not convince Meany or the AFL-CIO at this time of the dangers of import competition, they did win, through the Seven-Point Plan, the Area Redevelopment Act, and the TAA program some executive and legislative fixes they hoped would nurture the industry back to health after the recessions of the late 1950s and the industry’s general postwar downward trend.

These actions came together under a president who, in representing Massachusetts in the House and Senate between 1947 and 1961, knew all too well the toll of textile industry decline on workers and communities across the
commonwealth. Kennedy’s efforts did win the support of workers, textile executives, and organized labor. But his precarious balancing act often left constituencies less than fully satisfied. Just as textile labor did not get import quotas, industry executives welcomed the help of the Seven-Point Plan yet warily eyed his actions on civil rights and were angered by his refusal to end the 8.5-cent subsidy on cotton exports (the ITAC suggested ending the subsidy, only to drop it after opposition from cotton farmers and the State Department).

One person who was concerned about the future of the textile industry was Walter Trevillian, the head of Clemson University’s School of Industrial Management and Textile Science. In August 1963, Trevillian had proposed the federal government underwrite a three-year academic study to find ways to help the industry survive. Trevillian wanted to research greater technological innovations for the industry, which in turn could be applied to alleviate problems caused by wage gaps between textile workers in the United States and other nations. Trevillian envisioned a domestic textile industry that built on American competitive advantages through smaller plants that made greater use of technology. “The industry will face during the coming decade a challenge which it can meet only through dramatic technological progress,” Trevillian wrote. “With increasing competition from abroad and with increasing costs at home, the industry must innovate in order to survive.”

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105 Sam J. Ervin to John F. Kennedy, March 6, 1963, Folder “TA/Textiles 4-1-62 – 3-25-63,” Box 944, WHCF, JFKL. Ervin, a North Carolina Democrat, was also joined by Cannon Mills’ longtime president, Charles Cannon, who was an outspoken opponent of the “two-price cotton” system created by the subsidization of raw cotton exports. See Timothy W. Vanderburg, *Cannon Mills*: 159-168.

106 Clemson College, “An Interdisciplinary Approach to the American Textile Problem,” submitted to the U.S. Department of Commerce, Civilian Industrial Technology Division, August
Trevillian’s proposal, focusing on the industry’s future, might have made a good addition to Kennedy’s seven-point program. But fate intervened seven days after the president’s AFL-CIO speech in New York: during a two-day campaign trip to Texas, intended to boost his southern support heading into the 1964 elections, Kennedy met an assassin’s bullet in Dallas’ Dealey Plaza. Lost in the outpouring of shock and grief over the youthful president’s death was the sudden end of Kennedy’s efforts to save an industry with New England roots that a century of migration had transformed into a mainstay of the life and economy of the U.S. South, a region whose historic loyalties to the Democratic Party he desperately hoped to retain amid the maelstrom of the civil rights struggle.
One day in May 1965, a brief and hastily written letter from George Carignan, the Textile Workers’ Union of America’s international representative in New Bedford, Massachusetts, arrived for TWUA President William Pollock at the union’s headquarters in New York. For months beginning in late 1964, Carignan had been attempting to convince Seabury Stanton, the venerable and aloof chairman of the Berkshire Hathaway textile chain, that favorable conditions in the textile industry justified raising wages for the company’s workers throughout New England.¹ Instead of news on that front, Carignan passed on to Pollock a stunning development: Stanton was stepping down amid a “policy disagreement” with “outside interests” including Buffett Enterprises of Omaha, Nebraska. Carignan, a longtime veteran of textile labor battles in New England dating back to the early days of the CIO and the region’s TWOC organizing drive under Sidney Hillman, was baffled and needed some quick answers. “What is Buffet [sic] Enterprises?” Carignan wrote. “Is it a producing company, or a liquidating company?”²

As it turned out, Warren Buffett, the Oracle of Omaha, first rose to prominence on the back of a textile company. In this case, it was Berkshire Hathaway, the product of a merger between New Bedford-based Hathaway Manufacturing and Berkshire Fine Spinning Associates, Inc., a firm founded in

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² Letter to Pollock from Carignan, May 10, 1965, MS 134, Box 4, Folder 42, SCUA-UMass.
1806 that could boast of ties to Samuel Slater, who built the first cotton mill in the United States in 1790. Under Stanton’s leadership following the 1955 merger creating Berkshire Hathaway, the company was the largest surviving textile manufacturing company in New England. However, modernization did not quickly yield prosperity for Berkshire Hathaway. The company attracted the attention of financiers like Buffett, who between 1963 and May 1965 steadily acquired enough shares to capture control of Berkshire Hathaway, forcing Stanton’s sudden resignation during the board’s May 10, 1965, meeting.

Buffett’s takeover of Berkshire Hathaway marked the rise of a new capitalist order, in which diversified conglomerates spread across business sectors and in which U.S.-based firms were rapidly expanding their reach across the globe. Both developments were emblematic of the increasing mobility of capital. More importantly, they represented a shift in which capital would claim and hold primacy over labor and the state, in the process unraveling the strands of worker rights and trade liberalization that had occurred since the New Deal.

To be sure, the rise of a conglomerate in the textile industry was not new. Textron, which got its start as a Boston-based textile firm in 1923, became an industrial conglomerate in the 1940s. It produced parachutes for the war effort, then consumer goods after the war: lingerie, blouses, and a range of consumer goods. The conglomerate also contributed to textile decline in New England through its purchase and liquidation of textile factories in the region, threatening

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the industry’s efforts at recovery from the overproduction that haunted it into the 1940s.

By the time Buffett took over Berkshire Hathaway, the textile industry was operating in a more stable environment. President Kennedy’s Seven-Point plan for textiles encouraged companies to modernize through a new depreciation schedule for equipment. At the same time, the STA and LTA monitored the international trade in cotton textiles. Those agreements did not fully control the growth of imports. The rapid growth of imports from the Asian nations that rebuilt or developed their textile sectors after World War II would continue to force domestic companies to cut costs and innovate to compete with their low-wage counterparts. That challenge would be more difficult with the rise of a transnational economy at home that would pair manufactured goods from the United States with cheap labor from Mexico. Over the course of the decade, the combination of trans-Pacific and pan-American competition would threaten to further shrink the industry.

The 1960s represented a paradox for textile manufacturers. The industry overall enjoyed an era of relative prosperity, yet coexisted with signs of decline. As some manufacturers struggled to compete with increasing imports using outdated equipment, the Berkshire Hathaway textile firm would eventually power a conglomerate by the same name that branched into publishing, energy, insurance, railroads, and basic materials. Along the way, it gathered massive amounts of capital to extend its reach into other fields, driving explosive growth in its stock price as it went. The practitioners of this new model of capitalism, however, were more willing to close less profitable branches or factories.
Such shifts in corporate philosophy as personified by Buffett and his conglomerate model illustrated the new, emerging capitalist order that textile workers, their unions, and the industry began to face in the 1960s. The increasing profitability of the industry didn’t guarantee its survival. Instead, it made the industry attractive to financiers like Buffett, who could purchase the companies and use their cash reserves, as well as their profitable operations, to generate capital that would fuel mergers and acquisitions. Another such textile manufacturer that would become a target in this new environment was Cannon Mills Co., the North Carolina-based producer of towels and bed linens. By 1967, Cannon’s 21,100 employees made it the nation’s fourth-largest textile manufacturer by employment, behind Burlington Mills, J. P. Stevens Co., and Deering-Milliken. It boasted a 1967 after-tax profit of $13.8 million and a net worth of more than $200 million.^5 Cannon’s profitability and net worth soon made the company ripe for takeovers by financiers who wanted access to its assets rather than its products.

The changes also pushed textile companies, especially the ones that were privately held, into an arena where their directions were not set by families or tight-knit boards but by demands from the financial world. Decisions that were once centralized and made by company chairmen in towns like New Bedford and Kannapolis and Spartanburg were now influenced and driven by events on (and demands from) Wall Street. The rise of conglomerates like Berkshire Hathaway, and the increasing globalization of textiles and garment manufacturing, together injected another degree of uncertainty into a troubled

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^5 Memorandum from George Perkel to William Pollock, September 18, 1968, MSS 396, Box 541, Folder “Cannon Mills,” TWUA Papers, SHSW.
industry. For textile and apparel workers, these events represented further deterioration of the fraying fabric that had been designed to protect them in the New Deal.

**Portrait of a Changing (and still Besieged) Industry**

In the early 1960s, the domestic textile industry embarked on a small wave of consolidation, with 110 firms merging with or acquiring smaller firms. Executives expected the trend of mergers to increase because smaller mills could not compete with their larger counterparts. The firms that remained were also more profitable and more productive: A textile firm in 1962 was 55 percent more productive than its counterpart a decade before, thanks to increased capital investment. That investment, coupled with the nation’s economic recovery following the 1957 and 1960 recessions, drove industry profits higher: in 1957, all textile manufacturers recorded total profits of $248 million; by 1962, that figure had increased to $346 million.⁶

These rosy figures, however, obscured a continued crisis affecting the textile industry. Following the hearings he chaired on the textile industry in 1958 and 1959, Sen. John Pastore of Rhode Island would go on to lead a three-person Senate subcommittee, along with fellow Democrat Strom Thurmond of South Carolina and Republican Norris Cotton of New Hampshire, charged with studying problems in the domestic textile industry.⁷

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⁷ Thurmond would switch parties and become a Republican in 1964, out of dissatisfaction with the Civil Rights Act of that year; however, the move culminated a partisan shift that, for Thurmond, dated to his 1948 presidential candidacy on the States’ Rights (Dixiecrat) ticket. See Joseph Crespino, *Strom Thurmond’s America* (New York: Hill & Wang, 2012): 165-184.
In 1961, before President Kennedy had announced his seven-point plan, the subcommittee described an industry in continued decline following World War II. Between 1947 and 1960, the subcommittee reported, no fewer than 838 textile mills closed in the United States, throwing an estimated 229,000 employees out of work. During that period, employment in the textile industry fell by 440,000 workers, from 1.3 million in 1947 to 925,000 at the end of 1960. Industry employment plummeted 61 percent in New England and 47 percent in the Middle Atlantic states; employment even declined 14 percent in the South, where the bulk of the industry now was located.  

Furthermore, the growth in industry profits was not reaching workers, a reflection of several factors: the historically low wages in the textile industry relative to other manufacturing work; the industry’s move southward; and the lack of a union presence in the southern branch of the industry to negotiate higher wages. In 1950, an average textile worker earned $1.05 an hour, 72 percent of the $1.46 hourly wage earned by the average manufacturing worker. By 1960, however, that textile worker had lost ground: his average hourly wage of $1.61 was now just 70 percent of the $2.30 an hour his manufacturing counterpart now earned.  

In addition, the increase in textile productivity was accomplished with newer machines and a shrinking workforce. Yet most of the gains in productivity were attributed to the steep drop in employment between 1947 and 1970. Even with modernization taking place throughout the industry, the subcommittee

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found, nearly two thirds of the industry’s machines were at least ten years old. Between one quarter and one third of the machines in the domestic textile industry had been in operation for more than 20 years.\textsuperscript{10} While the committee blamed narrow profit margins and outdated depreciation schedules for the slow pace of modernization, the implications of this statistic could hardly be clearer: With a shrinking workforce and aging machinery, the domestic industry was trying to compete with nations like Japan, which had rebuilt their textile sectors in the late 1940s and early 1950s. By combining state-of-the-art machinery with wages that were a fraction of their American counterparts, nations like Japan, South Korea, Hong Kong and Taiwan were rapidly challenging American textile dominance. In 1948, imports comprised less than 1 percent of domestic cotton textile production, 1.7 percent of domestic wool textile production, and 1.2 percent of synthetic textile production. In 1960, imports had grown in all three categories to claim 8 percent of domestic cotton textile production, 5.4 percent of synthetic textiles, and 16 percent of wool textile production.\textsuperscript{11}

After noting the contraction of the industry and its severe dislocation of workers for a decade, the committee determined that the United States was “rapidly approaching a major turning point in the domestic textile industry. ... more and more underdeveloped countries are producing textiles for export, and the United States is their No. 1 market.” The committee recommended that the United States impose quotas on textile imports by country and category of textile

\textsuperscript{10} “Problems of the Domestic Textile Industry”: 8-9.

\textsuperscript{11} “Problems of the Domestic Textile Industry”: 11.
goods, with flexibility to allow import levels to increase with the growth of the domestic market.¹²

As the protectionist measures of Kennedy’s seven-point plan took hold and Congress, at the request of the Johnson administration, eliminated the “two-price cotton” system that textile manufacturers had railed against, the textile industry and its unions seemed to settle into a familiar pattern: leading firms began to invest more in their facilities, while unions, seeing a return to profitability, in part because of economic expansion and also from limits on cotton textile imports, started to seek additional wages and benefits for their members. In the case of the TWUA, this set of events provided fresh initiative for continuing the decades-long process of attempting to organize workers in the union-resistant South. Organizing the South, it argued, was a way to bring the region in line economically with the rest of the United States.¹³

Even as concern over textile imports increased, by August 1967 the TWUA still considered the anti-unionism in the South a major problem for textile labor. In that month, the union presented a document to a congressional committee outlining the harassment organizers and workers faced from textile companies in attempting to unionize, and the weakness of labor laws in protecting the right to organize and bargain collectively, combined with dilatory tactics aimed at delaying certification and bargaining when organizing efforts actually succeed.¹⁴


¹³ Textile Workers Union of America, “America’s Stake in the South,” n.d. [1963?], 1. MSS 396, Box 634, folder “America’s Stake in the South,” TWUA Papers, State Historical Society of Wisconsin, University of Wisconsin, Madison (hereafter TWUA Papers, SHSW).

¹⁴ “Conspiracy in Southern Textiles,” presentation of the Textile Workers Union of America to the Special Subcommittee on Labor of the House Committee on Education and Labor, August, 1967,
The TWUA called for extending the protections for collective bargaining in the Railway Labor Act (which excluded employers from their employees’ decision to organize) to the Wagner Act. Specifically, the TWUA recommended Congress amend Section 8(c) of the Wagner Act to allow the National Labor Relations Board to determine whether an employer was coercing workers against joining a union. In addition, the NLRB could use its rulemaking process to prohibit “captive audience speeches” within 10 days of an election, instead of 24 hours, and could give the union equal time to reply to company presentations. Other suggestions included an expedited NLRB election and union recognition process, including a “card-check” option for organizing, and an expedited procedure to file and handle unfair labor practice complaints.¹⁵

Yet the growth of textile imports into the United States had altered somewhat the relations between management and labor in the textile industry. According to Commerce Department figures compiled by a leading textile industry publication, the U.S. textile industry last ran a trade surplus in 1957, of $14 million. Trade deficits in textiles began in 1958, when the domestic industry ran a $36 million deficit, and increased steadily over the course of the 1960s to $1.1 billion by 1968. Only in three years during that period – 1961, 1964, and 1967 – did the trade deficit in textiles decrease, but in each of those years, the trade balance failed to swing to a surplus in the United States’ favor.¹⁶


¹⁶ Analysis of annual figures from Textile Hi-Lites, publication of the American Textile Manufacturers Institute (ATMI). The American Cotton Manufacturers’ Institute, the textile industry trade group, was renamed the ATMI in 1962.
Dramatic increases in synthetic textile imports, and the resumption of growth in cotton textile imports despite efforts to monitor international trade, forced textile labor and management to spend more energy on the issue of slowing imports. However, expending this energy did not yield any broad alliance between management and labor – or even among the four textile and apparel unions – in finding some form of common cause on the issue of slowing imports.

The 1960s ended with the leadership of the AFL-CIO changing its long-held opinion on whether free trade was indeed beneficial for the entire nation. In the end, it would reach the same conclusion its textile unions had reached in the 1950s: increasing global trade had not produced beneficial results for all industries. The promises to aid the industry through tax credits and breaks, research, and international agreements to limit imports, were all giving way. Repeatedly, the LTA was challenged by nations that wanted to maintain access to American markets. Over the course of the 1960s, textile labor rallied with protests designed to save jobs in their industries, beginning in 1967 in several locales and exploding across the nation in 1969 and 1970. But these efforts were largely obscured in the overall American society by the decline of the New Deal political coalition, protests erupting over the nation’s involvement in Vietnam, the splintering of the civil rights/black freedom movement after 1965, and the simultaneous growing power and influence of the New Right.

Even as it maintained its interest in organizing the South, the TWUA, especially under its longtime research director, Solomon Barkin, continued to maintain statistics on the growth in imports. Synthetic textile production had slightly increased in the 1950s, especially in the areas of rayon and acetate
fabrics, but accelerated rapidly in the 1960s. The TWUA research department estimated such growth in imports was spurred by economic growth and demand for textile products. Imports of man-made fibers increased from 1.405 million pounds in 1950 to 1.883 million pounds in 1960; by 1963 the production of rayon and acetate rose an additional 31 percent. Those increases continued despite the passage of a “one-price cotton” law in 1964 that ended the 8.5-cent subsidy, enacted in 1956, on each pound of raw cotton sold for export. The bill also gave domestic cotton textile mills a subsidy worth an estimated $312 million a year, through the end of July 1966, which offset the higher prices the mills had paid for domestic cotton as a result of federal farm price supports. With the mill subsidy, Congress and the administration sought to make domestic textile goods more competitive with synthetic cotton goods and imported cottons. While ending the “two-price cotton” regime that textile executives had opposed, the new subsidies made possible by the “one-price cotton” law marked a high point in the ongoing effort by the textile industry to seek relief from import competition.17

In the months before the law went into effect, cotton consumption ran at a rate of 2.7 percent higher than the corresponding period in 1963, while rayon and acetate fiber consumption increased by 16.4%.18 Even with lower cotton prices, cotton consumption over the first nine months of 1964 increased 3.8 percent while rayon and acetate consumption rose by 10.9 percent over the same period.19 The Celanese textile company saw increases in sales (up 12 percent to


18 Textile Workers Union of America, Research Department, “Economic Notes, Man-Made Fibers Industry, December 1964”: 1-4, MSS 396, Box 634, Folder “Celanese-1964,” TWUA Papers, SHSW.

$356 million in 1963) and after-tax profits (up 18 percent, or $33 million, between 1962 and 1963), and its stock price, which had been at $28 per share in 1962, was up to $75 by late 1964; furthermore, the company planned to undertake a five-year program of capital expenditures, at $75 million per year, with 45 percent devoted to textile production through new or expanded plants. Such metrics were examples of “confidence in the company by the financial community and the investing public.”

The agreements imposed by the Kennedy administration under the STA and LTA served to limit cotton textile imports into the United States. Combined with the “one-price cotton” law, the U.S. textile industry saw a brief period of stability and profitability. By the late 1960s, however, cotton imports had resumed their growth and imports of man-made textiles, not subject to import quotas, were eating into domestic textile sales and industry profits.

In the mid-1960s, the TWUA saw in the domestic economic expansion and lower prices for raw cotton an opportunity to increase wages throughout the industry. In January 1965, delegates from each TWUA union in the cotton and rayon industry met in New York to plan for higher wages in contract negotiations. In the words of one TWUA joint board, their position was that “substantial increases in wages to cotton-rayon workers are necessary and are justified because of the favorable conditions presently existing in the industry.” While the TWUA arguing the industry was “one of the most prosperous” in the

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nation, wages lagged those of workers in other industries, as much as $30 a week less than the average factory worker – a gap they believed should be closed.²¹

Textile imports into the United States and Canada rose from 492 million square yards equivalent (SYE) in 1958 to 1.11 billion SYE in 1962. Under the LTA, imports were held to 1.12 billion SYE in the year ending September 1963, then fell 8 percent in the following year to 1.03 billion SYE. The TWUA was trying to ensure the continued effective execution of the LTA “so that the volume of international trade could expand in line with world needs without causing hardship to textile workers in the United States and Canada,” TWUA president Pollock wrote in a 1965 memo to the membership. Pollock noted that the TWUA had hoped for international agreements to regulate trade in all forms of textiles, and while the Kennedy administration succeeded in reaching an agreement governing the cotton textile trade, it could not do the same for other textiles, a situation it hoped President Lyndon Johnson would reverse. Pollock said Johnson had promised in September 1964 to seek an international conference to deal with the pressing issue of wool product imports.²²

Turning the Tide: The Erosion of the LTA

In December 1964, George Perkel, who succeeded Solomon Barkin as the TWUA’s director of research (Barkin left the TWUA in 1964 to join the Paris-based Organization for Economic Cooperation and Development), traveled to Geneva and London to review the operation of the Long-Term Arrangement and


²² Memo from William Pollock, TWUA president, to local unions, joint boards and staff re: textile imports, January 4, 1965, MS 134, Box 4, Folder 49, SCUA-UMass.
to plan for a “major review” of the agreement in late 1965. In Geneva, at a meeting of the GATT Cotton Textiles Committee, Perkel reported the United States came in for “considerable criticism” from several country representatives who claimed “that the LTA had been improperly used to restrict their exports” and demanded changes to allow greater textile exports to industrialized countries. American representatives, who had anticipated international criticism of the way in which the LTA had been operated, countered by arguing the controls were “fair and reasonable” and complained about exporting countries’ practices that it felt were improper under the LTA. Advisers from U.S. textile companies and unions (including Perkel and Milton Fried of the ACWA, and industry representatives from the American Textile Manufacturers Institute [ATMI, formerly the American Cotton Manufacturers Institute], Northern Textile Association, and National Knitted Outerwear Association) offered their support to members of the Inter-agency Textile Administrative Committee (ITAC), which administered the LTA in the United States. After the Americans pointed out severe disruption had occurred in the U.S. textile industry as a result of imports, Perkel reported, the ITAC reached a compromise to keep the existing system of controls in place through 1965. Despite the compromise, Perkel believed problems lay ahead among LTA participant nations over the concept of “market disruption” and the point at which a nation could unilaterally determine when imports had disrupted its market. Less developed countries, which tended to export to the United States, sought guidelines that used objective criteria to determine whether a market had been disrupted. They also sought commitments under which industrialized countries would not impose additional restraints on imports from less developed countries as long as exporting countries avoided
“sharp increased in exports.” Developing countries also asked that “advanced countries should undergo ‘structural readjustment’ (i.e., shift their industrial structure away from textiles) in order to enable developing countries to expand their share of world textile markets.” The United States responded by stating a “major readjustment” in the domestic industry had occurred over the past decade, and that federal policy would be aimed at reversing the trend while allowing trade policies that expanded U.S. textile markets in ways that benefited both overseas suppliers and the domestic industry.23

Perkel predicted various agencies within the federal government would press for increased liberalization of trade by the fourth quarter of 1965, and that the Geneva meeting of December 1964 constituted “essentially a holding action” as far as resolving differences of opinion between developing and industrialized countries over textile imports. “Intensification of our efforts will be required if we are to avoid losing many of the benefits of the LTA during the major review next year,” he wrote.24

The Geneva meeting preceded by a few days the meeting in London of the International Wool Study Group (IWSG), in which representatives from 30 nations considered international trade patterns in wool, the position of wool and man-made fibers in the international markets, and the group’s own future activities. American interests attending the IWSG meeting urged “an international solution to the problems created by excessive imports of wool

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products,” but the IWSG took no action.\textsuperscript{25} The 1964 meeting was similar in its outcome to the 1962 meeting, at which U.S. negotiators were criticized by the United Kingdom, Japan, Italy, and France for suggesting a multilateral effort to regulate international trade in wool products. Following the London meeting, industry and labor members of the U.S. delegation agreed to inform government officials that the IWSG would not be “a useful mechanism for advancing our interest in an international arrangement for wool textile trade.”\textsuperscript{26}

Imports of cotton textiles did decrease 9 percent between 1962 and 1964 as a result of the Kennedy administration’s efforts – from 1.165 billion square yards equivalent (SYE) in 1962 to 1.058 billion SYE in 1964, according to figures from the Commerce Department. But by 1966, imports of cotton textiles had reached 1.824 billion SYE, an increase of 153.2 percent over 1961 levels. Imports of wool increased 105.9 percent between 1961 and 1966, while man-made textile imports rose even more rapidly: 559.5 percent during the same period. Overall, textile imports rose 201.9 percent, from 926 million SYE in 1961 to 2.796 billion SYE in 1966.\textsuperscript{27} The explosive growth in imports of man-made textiles would continue well into the 1970s, amid disagreements between signatory nations on how to interpret the LTA (Tables 1 and 2). These developments provided evidence that the multilateral agreement reached in the Kennedy administration to limit textile imports to the United States had broken down.


Table 1. General Imports of Cotton, Wool, and Man-Made Fiber Textiles, 1962-1973 (millions of SYE)

<table>
<thead>
<tr>
<th></th>
<th>Man-Made</th>
<th>Cotton</th>
<th>Wool</th>
<th>Total</th>
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<td>1962</td>
<td>213.4</td>
<td>1164.7</td>
<td>156</td>
<td>1534.1</td>
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<tr>
<td>1963</td>
<td>221.1</td>
<td>1101.2</td>
<td>161.4</td>
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<tr>
<td>1964</td>
<td>328.4</td>
<td>1057.5</td>
<td>137.7</td>
<td>1523.7</td>
</tr>
<tr>
<td>1965</td>
<td>565.9</td>
<td>1312.8</td>
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<td>2090.3</td>
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<tr>
<td>1966</td>
<td>797.5</td>
<td>1824.3</td>
<td>203.7</td>
<td>2825.5</td>
</tr>
<tr>
<td>1967</td>
<td>933.5</td>
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<td>167</td>
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<tr>
<td>1968</td>
<td>1453</td>
<td>1648</td>
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</tr>
<tr>
<td>1969</td>
<td>1782.6</td>
<td>1651.9</td>
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<td>3625.9</td>
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<tr>
<td>1970</td>
<td>2759.6</td>
<td>1536.8</td>
<td>169.6</td>
<td>4466</td>
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<tr>
<td>1971</td>
<td>4223.2</td>
<td>1611.2</td>
<td>117</td>
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</tr>
<tr>
<td>1972</td>
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<td>117</td>
<td>6236</td>
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<tr>
<td>1973</td>
<td>3433.5</td>
<td>1592.1</td>
<td>98.9</td>
<td>5124.5</td>
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</table>

% change, 1962-1973 | 1508.95 | 36.70 | -36.6 | 234.04

Table 2. U.S. Imports of Cotton, Wool, and Man-Made Fiber Textiles, 1956-1973 (millions of dollars)

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<td>60.7</td>
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<td>801.1</td>
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<td>1973</td>
<td>1848.4</td>
<td>886.6</td>
<td>367.5</td>
<td>3102.5</td>
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</table>

% change, 1956-1973  
6797.01  500.27  154.14  872.26

An “Urgent Need” for Controls: Labor Fights Textile Imports

By 1967, as a result of the growth in imports, the TWUA was calling, once again, for textile import quotas. Several bills introduced in Congress in 1967 and 1968 aimed to do that, including S 1446, S 1891, and S 1796, all co-sponsored by Republican Sen. Edward W. Brooke of Massachusetts.28 The TWUA was more supportive of S 1796, which would establish textile quotas by statute.29 The House Textile Group, the leadership of which had passed from Carl Vinson to William Jennings Bryan Dorn, a South Carolina Democrat, met with industry representatives to discuss a report on textiles by the U.S. Tariff Commission. The congressional and industry participants “reaffirmed the urgent need for quota legislation and made it clear that the Commission’s report did not show an improving import situation,” a member of Congress from Massachusetts stated.30

In addition to seeking legislation, in this period textile unions turned to lobbying Congress and the Johnson administration to raise awareness of the import threat. TWUA locals in New Bedford, Massachusetts, where job cuts were under way since the fall of 1966 (300 workers at the Berkshire Hathaway plant, the city’s last remaining large textile mill, had already lost their jobs), sent 20,000 postcards to the White House in the final quarter of 1966 as part of a campaign to get the administration’s attention about “the cotton-synthetic import problem” and “the increased amount of textile products being imported into this


country.” The TWUA in New Bedford continued to press their case as the House then took up the issue in March 1967. “We are deeply concerned with the tremendous increase in cotton and rayon textile fabrics that have been imported into the country during the last year,” Carignan wrote in a letter sent to members of the commonwealth’s congressional delegation. Carignan also stressed the effect of imports on the Hathaway plant in New Bedford, pointing out more than 200 workers of the 2,000-person work force were unemployed after production was reduced the preceding summer.

The administration responded through a deputy assistant secretary in the Commerce Department, conveying its concern “over the rapid increase in imports in man-made fiber textiles” and stating that President Johnson was considering the appropriate action to take. At Johnson’s request, the TC conducted a study of the U.S. textile and apparel industry in late 1967. In direct contrast to the concerns expressed by the TWUA and figures from the Commerce Department showing import levels rising, the TC determined the domestic textile industry was “in a stronger position than in earlier years and not suffering in general from imports.” While the TC also believed economic indicators hinted at the industry emerging from a slump in late 1966 and early 1967, the agency also believed the picture was incomplete. Parts of the domestic textile industry were


challenged in adjusting to changes in technology, location, and industry organization, as well as increased imports. The administration, the aide wrote, was studying a variety of alternatives to aid the industry in a way that might offer relief. Since late 1966, the official said, the United States had “exercised more strict control of cotton textile imports” and wanted to impose additional import restrictions without inviting other nations to retaliate against the United States for violating international trade rules – a procedure allowed by GATT.34

By February 1967, with imports increasing and the prospect of import quota legislation uncertain, the UTWA, the oldest and smallest of the four textile and apparel unions, began to sketch out a campaign against imports involving textile employers and public officials as well as leading figures in textile-producing communities. The campaign was aimed at protecting the U.S. textile industry and workers from import competition. UTWA President George Baldanzi said concerns about imports were evident even when the LTA was being negotiated in 1962. At the time, Baldanzi said, unions tempered their support of liberalized trade with concerns that such moves would enable worker exploitation in other parts of the world. “We were concerned then that American trade policy would not be such that the poorest among us would be made to carry the heaviest burden, a burden already too great,” he said. “We are just as concerned today.”35

34 Letter from Harald B. Malmgren, Assistant Special Representative for Trade Negotiations, Executive Office of the President, to George E. Carignan, New Bedford Joint Board, TWUA, March 14, 1968, MS 134, Box 3, Folder 29, SCUA-UMass.

Baldanzi said that in 1962, organized labor wanted quotas for cotton, synthetic, and woolen textiles; that it was concerned about the potential for sweatshop exploitation in Hong Kong; and that international agreements needed to encourage the creation of “fair wage relationships” that prevented undercutting U.S. textile companies and workers from low-wage competition.\(^{36}\)

By 1967, Baldanzi continued, the United States was facing import competition from 18 nations, of which workers in 12 earned less than one-fifth the wages of American textile workers. In the other six nations, textile workers earned no more than two thirds the wages of their American counterparts. And imports had increased despite the curbs established by the LTA. “Theoretically, cotton textile imports are controlled under the LTA, but it has been so poorly administered that every year it has been in effect there has been an increase in imports over the preceding year,” he said, adding that new agreements would ensure a continued increase in textile imports.\(^{37}\)

Because cloth and apparel containing more than 50 percent cotton were covered by some form of import quota, while similar products containing up to 50 percent of cotton were not, the potential for damage to the textile industry from synthetic products was tremendous – especially for the UTWA, which represented synthetic textile workers most likely to be affected by the dramatic increase in synthetic textile imports.\(^{38}\)


\(^{37}\) Ibid.

\(^{38}\) “A Call to Action: UTW Urges Joint Effort To Curb Textile Imports”; 3.
The Kennedy Round and Import Quotas: The Turning Point of 1967

For much of 1967, Congress and the White House deadlocked over issues of import competition, tariff levels and trade. The key factor driving their disagreement was the conclusion in May 1967 of GATT negotiations in Geneva that produced a new round of trade talks made possible by the Trade Expansion Act of 1962. The agreement, formally known as the Trade Agreement Act, was broadly known as the Kennedy Round in memory of the late president. It involved reducing duties on roughly $8 billion worth of U.S. industrial and agricultural exports. In exchange, the United States would reduce tariff levels on a similar volume of its imports.39

Industries that had been stung by foreign competition, however, did not support the lower tariff levels set by the Kennedy Round. Trade representatives for textiles, chemicals, steel, glass, and other industries opposed the proposed agreement, claiming the United States had failed to remove other nontariff barriers that blocked American exports’ access to foreign markets. The ATMI, through a spokesman, said the Kennedy Round would harm the industry because of “the virtual tripling of imports into this country since the Kennedy round talks began.”40

By late 1967, Johnson and Congress were engaged in a bitter dispute over trade policy. Industry dissatisfaction at the success of the Kennedy Round and the new tariff reductions it proposed drove protectionist sentiment In Congress. Dissatisfaction combined with other factors to produce at least 18 import quota

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bills: frustration at Johnson over Vietnam; political maneuvering as members of Congress sought to position themselves favorably for the 1968 elections; and labor-industry cooperation in the steel industry. In 1967, the USWA ended its support of free trade and joined with much of the steel industry in calling for quotas to protect the industry from imports. Members of Congress introduced bills to impose import quotas on textiles, steel, chemicals, electronics, meat, dairy products, lead, zinc, and even mink skins.41

The import protection bill with the widest scope came from Rep. John Dent, a labor-friendly Pennsylvania Democrat. He introduced a highly popular bill that would allow the president to impose quotas on imports or raise tariffs on goods if the Labor Department determined that American workers were injured by imports that had been produced under conditions banned by the Fair Labor Standards Act. It also allowed the president to waive minimum wage requirements in industries affected by imports. It passed the House on an overwhelming 340-29 vote in September 1967 and became a target for opposition by exporters and supporters of free trade. It eventually died in a Senate committee.42

One of the most popular import quota bills, meanwhile, applied to textiles. Sponsored by Ernest F. “Fritz” Hollings of South Carolina and 67 of his

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Senate colleagues, the measure aimed to reduce imports of cotton, wool, and synthetic fibers from 2.7 billion square yards per year to 1.7 billion square yards per year. Another popular import quota bill applied to steel and was sponsored by Sen. Vance Hartke, an Indiana Democrat. It sought to tie steel imports to a fixed percentage of recent steel consumption in the United States.  

By mid-October, Hartke and Senate Republican Leader Everett Dirksen of Illinois had tied the import quota bills together and were preparing to send them through the Senate, setting the stage for a showdown with the White House. In response, Johnson dispatched five cabinet members to Capitol Hill in a single day to bat down the measure, arguing that protectionist measures would undercut the goal of expanding global trade. Johnson also threatened to veto any bill to impose import quotas, stopping most of the measures from moving through Congress. Johnson was sympathetic to the textile import quota bill, in a nod to protect Hollings from Republican opposition in the 1968 elections, but he placed a roadblock in its path by ordering the TC study, discussed earlier, on the effect of imports on the nation’s textile and apparel industries. Action on the bill came to a stop when House Ways and Means Chairman Wilbur Mills refused to hold hearings on any import quota legislation. Finally, the burst of import quota bills forced the Johnson administration to abandon its own trade bill, which would have renewed for another five years the authority to negotiate tariffs, which had been granted in the renewals of the RTAA and the Trade Expansion Act of 1962 but expired in June 1967. The administration’s bill would have also

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eased the criteria for firms and workers to qualify for trade adjustment assistance. Five years after organized labor supported the Trade Expansion Act in part because it contained a TAA program, the TC had awarded no workers or firms TAA benefits. The TC used a strict criteria to determine eligibility for TAA: in order to qualify for assistance, imports had to be the total, sole reason behind business closures or worker displacement. The lack of use of the TAA program added to labor’s frustrations over the results of its support of expanded trade in the early 1960s.44

One article, summarizing the larger import quota bills before Congress in 1967, highlighted the growing divide over trade within the labor movement: “The AFL-CIO has consistently stood for freer trade and against protectionism although it is embarrassed currently by some of its constituent unions – particularly in steel, textiles and stone and clay products – who are beating the drums for protectionism.”45

The Johnson administration, for the time being, had won the battle over trade liberalization, but in the process it lost the power to negotiate further trade agreements and missed an opportunity to aid workers and firms affected by imports. The anxiety of business and labor over the success of the Kennedy Round in lowering trade barriers, meanwhile, reflected a shift on public views of


Despite decades of support for free trade from elected officials, most businesses, and organized labor, the positive reception the import quota bills received from workers and industries demonstrated a growing unease among large swaths of the general public about the rise of imports since the end of the 1950s. The support for limiting imports, a move that would have provided a sharp reversal to the revamped U.S. trade liberalization policy that Kennedy had sought in 1962, did not reflect Kennedy’s belief of trade as a Cold War policy to thwart Soviet engagement with the world. People who supported the import quotas were more concerned with domestic economics rather than international affairs; for them, limiting imports reflected a belief that the prosperity the United States had enjoyed since World War II was under siege, if not in outright danger.

Even before the outburst of import quota bills in late 1967, the UTWA had issued the same call, echoing the 1961 findings of the Pastore Subcommittee on textiles. In April 1967, Baldanzi repeated the call for a textile industry import control program during testimony to the labor subcommittee of the House Education and Labor Committee. Such a program, he said, would “preserve the American textile industry and the jobs of four million Americans who depend on it for their economic well-being.” Baldanzi also repeated his call for better and more stringent enforcement of the LTA, quota limits on wool and synthetic textiles, and asked that the United States take unilateral action to impose import controls if it could not negotiate bilateral import control agreements.46

In his testimony, Baldanzi noted imports were part of a decline of its membership in several places. At the Southwell Combing Company in Lowell,

Massachusetts, where workers had been represented by the UTWA for 25 years, Charles E. Hacking, the company’s manager of industrial relations, said imports had reduced the company’s workforce by 64 percent (from 614 employees to 221) between 1963 and 1967. At synthetic textile plants in Elizabethton, Tennessee, and Childersburg, Alabama, under the aegis of the Beaunit Corporation, 350 workers at both plants had been laid off due to imports. The same was true for 500 workers at plants of the American Enka Corporation in Morristown, Tennessee, and Enka, North Carolina, with another 1,000 workers working a four-day workweek at the North Carolina plant. Imports were also cited as the reason for short-time work among the 700 workers at the North Carolina Finishing Company in Salisbury, North Carolina, as well as among 5,000 workers at the Erwin Mills works in the North Carolina cities of Cooleemee, Erwin, and Durham. The Erwin employees’ cutbacks included a 15 percent reduction in production and a workweek that had been trimmed from six days to five.47

In the words of Claude Ramsey, then the executive vice president of the American Enka Corporation, textile imports comprised “a major threat to our economy” and to the jobs of more than 2 million textile and apparel workers. He continued:

The day may come when levels and standards of living throughout the rest of the world will have progressed to a point somewhat in line with our own. Until that time occurs, however, imports from low-wage areas will generally have a tendency to displace the products of the American manufacturer and the jobs of American employees.48

Other problems U.S. textile manufacturers and workers faced included the “dumping” of textiles in the United States; the increase of synthetic imports from Japan, Canada, Hong Kong, West Germany, and Taiwan; mislabeling of imports, such as woolen goods; and the apparent reluctance of the United States to negotiate a longer renewal period for the LTA (five years, instead of a three year-renewal reached in 1967). Other issues included questions of whether the LTA was being enforced properly; the agreement was to have limited import growth to 5 percent per calendar year, but cotton textile imports more than doubled between 1961 and 1966, from 720 million SYE to 1.823 billion SYE. Furthermore, the rise in imports, driven by largely industrialized nations seeking to get their products into the profitable U.S. market, was accompanied by a decline in the amount of U.S. raw cotton sold abroad; for instance, Japan imported 3 percent more raw cotton in 1966 than in 1965, but bought 100,000 fewer bales from the United States, while buying nearly 165,000 more bales from Mexico and doubling its purchase of cotton bales from Russia.49

Wage differentials with other nations were also causing a problem. The average U.S. textile worker earned $2 an hour in 1967, far above their international counterparts: 36 cents an hour in Japan; 14 cents an hour in India; 42 cents an hour in Mexico; and 18 cents an hour in Portugal.50 A foreign trade policy involving low-wage nations that competed with the United States would not promote economic development, Baldanzi said. “We are, rather – foolishly and shortsightedly – subsidizing greed – the greed of entrepreneurs, whatever

49 Ibid.
50 “UTW Asks Industry-Wide Import Control Program”: 5.
their nationality, who find a great opportunity for uncontrolled profiteering in these low-wage areas, and who couldn’t care less about raising the standards of those they exploit. No one else benefits – surely not the underpaid foreign textile worker, the American textile industry, or the American textile worker.”

Baldanzi noted the attention paid to poverty in Appalachia by Congress and the Johnson administration by pointing out that nearly one million of the nation’s estimated two million textile workers worked within or near the Appalachian region, which stretched between New York state and Alabama, as did half of the nation’s synthetic textile workers. It made no sense, he argued, to spend money to improve economic conditions in regions like Appalachia as part of the Great Society, while doing nothing “to stem the flow of imported goods that is aggravating the very situation we wish to ameliorate.”

As a case study in the frustrations of textile manufacturers trying to compete with foreign producers, Baldanzi cited the case of Virginia’s Dan River Mills, one of the nation’s largest textile chains. Despite modernizing its equipment to the tune of $49 million between 1957 and 1967, diversifying its product lines, spending $4 million a year on marketing, research and development, and developing new textile production concepts with machinery manufacturers – all in keeping with textile executives who claimed that U.S. manufacturers could simply compete with their foreign counterparts by modernizing – Dan River still suffered the effects of import competition. “Wherever Dan River turned, an import problem developed. … the company went heavily into the production of man-made fiber products; imports of these

51 “UTW Asks Industry-Wide Import Control Program”: 5.

52 Ibid.
items accelerated even faster than cotton textiles,” said M.A. Cross, Dan River’s vice president in charge of public and industrial relations. Textile producers in low-wage nations could easily duplicate their American counterparts to make identical fabrics to ship to the United States.53

In his testimony, Baldanzi also mentioned that other nations were imposing more stringent import controls in order to protect their cotton textile industries. While West Germany limited cotton imports from Hong Kong by 27 percent below 1966 levels, and limited import increases to 2 percent in 1968 and 1969 from the 1966 baseline, the United States and Hong Kong negotiated an agreement that allowed Hong Kong to increase its exports by 19 percent in the first year of the agreement, as compared to the previous agreement.54 While other nations controlled the flow of imports by agreement, or by licensing procedures, as Common Market nations did in limiting Japanese imports of blended fabrics, the United States used bilateral agreements that set quotas, without regard to addressing the resulting import levels that exceeded those set in the agreements.55

Baldanzi concluded by arguing that the LTA needed to be enforced, and that multilateral agreements similar to the LTA were needed to slow import growth in wool and synthetic textiles. Furthermore, if no international agreement could be reached, the United States should act unilaterally to impose import controls that would protect the industry.56

54 Ibid.
55 Ibid.
56 “UTW Asks Industry-Wide Import Control Program”: 5.
The call for action by the UTWA spurred its locals into adopting resolutions, drafting letters and postcards, and meeting with local government officials. Locals representing woven label manufacturers in Paterson, New Jersey, Pompton Lakes, New York, and Brooklyn; textile trimmings and braid makers in St. Louis; and synthetic fiber workers in Elizabethton, Tennessee; and Asheville and Enka, North Carolina, sent resolutions to Johnson and congressional representatives or spoke with often-sympathetic local officials about the need to control imports. In June, 1967, Elizabethton workers in UTWA Local 2207, representing workers at the Beaunit Corporation, presented nearly 40,000 letters to Johnson, Tennessee senators Albert Gore and Howard H. Baker Jr., and Representative James H. Quillen, urging federal action to protect synthetic textiles against imports. The letters, coming as part of a weeklong “Protect Our Industry” campaign in Elizabethton that brought together labor, business, and government officials, as well as the local chamber of commerce and the Elizabethton Star, the daily newspaper, were distributed to workers by members of the local at the Beaunit plant and in downtown locations, with members of a local Brownie Scout troop sorting and folding the signed letters at the union hall for delivery. The letters argued that “some limit must be placed on foreign textile imports in the synthetic fibers area” as “imports are costing workers’ jobs and affecting the business life of our community and nation.” Baldanzi, speaking at a luncheon in the U.S. Capitol at which the letters were presented to Gore, Baker, and Quillen, offered bitter observations for free trade supporters in the federal government: “It appears that the State Department, for reasons of expediency,

has determined that a portion of our textile industry is expendable; we would like to know how much.”

Textile Labor Protests and the Kennedy Round

In the summer of 1967, when the United States joined 45 nations in signing the Kennedy Round agreements, both labor and industry were generally displeased with the result. The agreement displeased many textile unions and companies; Baldanzi and the UTWA, in a letter to Johnson, registered what it termed its “deep disappointment” with the conclusion of the Kennedy Round, stating that the union believed the decision would harm the domestic textile and garment industries. Despite a basic agreement between unions and the federal government that the LTA was needed to protect jobs in the textile and garment industries, imports had continued to grow beyond the targets set by the LTA. By virtue of its presence, however, Baldanzi said the LTA had “helped prevent the wholesale loss of jobs that would have occurred” in its absence.

Yet the textile and garment industry had become more integrated, with firms manufacturing cotton, wool, and synthetic fiber blends, a development that textile unions said required arrangements similar to the LTA for wool, worsted, and synthetic fibers. “It is unrealistic to think that the LTA alone will protect the


American textile and garment industry against the impact of cheap foreign imports, against which we cannot possibly compete,” Baldanzi said. “Until such time as the living standards of the people in other parts of the world are raised to a level approaching ours, the only hope for the security of our industry and jobs lies in the imposition of limitations on the goods we will allow to enter this country. If this is not done, our own living standards, which it has taken a hundred years to achieve, will be destroyed.”

In response to a letter from the UTWA to the White House, Johnson aide W. DeVier Pierson, an associate special counsel, wrote that the Johnson administration was continuing to study the issue of restrictions on man-made and woolen textiles under terms similar to the LTA; for wool, this attempt came on the heels of a failed effort to limit wool imports. “The President has directed the Cabinet Textiles Committee to advise him on the advisability of seeking agreements for woolen and man-mades – and the prospect that the trading nations involved would enter into such an agreement. He shares your concern that the textiles industry must be a healthy one.” The quite perfunctory response, coming after its members had lobbied the White House and Congress for months to win some protections against imports, clearly illustrated the relative lack of clout the UTWA – like its fellow unions in the industry – now had with the Johnson administration.

Baldanzi addressed the question of imports and the Kennedy Round in an August 1967 speech to the eleventh annual convention of the South Carolina

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62 Ibid.
Labor Council meeting in Charleston. In arguing that tariffs were but one way in which a nation attempted to protect its domestic industry, Baldanzi argued that other nations blocked American goods, in contrast to the United States’ openness to imports. In addition, a reciprocal trading program by its very nature required that both nations get something in return. “Generally speaking, one cannot oppose the exchange of goods with other countries if it will create better relations and contribute to the economic well-being of their people… but our experience, with newly-emerging, and industrialized nations, makes one wonder if there has been any real economic improvement for the people of those countries. We are not dealing here with the free exchange of goods, with reciprocity in the old sense.”

Baldanzi pointed out that the five leading suppliers of cotton textiles to the United States in the first eight months the LTA was in effect – Japan, Hong Kong, Mexico, India, and Portugal – accounted for 62 percent of the total cotton textile trade, with Japan and Hong Kong alone accounting for 44 percent of the total. “When we permit textile products to come in almost unrestrained from such countries, it means that we are turning a portion of our domestic market, and jobs, over to them.” Baldanzi also announced the UTWA was offering its support for legislation proposed by Sen. Ernest F. Hollings of South Carolina, that would place quotas on all textile imports – synthetic and wool as well as cotton.

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64 Ibid.
65 Ibid.
66 Ibid.
As Baldanzi criticized the Geneva tariff agreement, rank and file members of the UTWA were also expressing their concern over imports. Meeting in Atlanta in August 1967, 150 UTWA delegates, representing thousands of the union’s membership from West Virginia to Alabama, endorsed the international union’s letter to Johnson expressing their disappointment with the Kennedy Round of negotiations under GATT and echoed the call for international agreements that limited imports by country and category of every branch of the industry. The delegates also called for “swift enactment of legislation to limit importation of all textile products” and stated their intent to seek protectionist measures to help the domestic textile and garment industry.

Delegates also urged members and affiliated bodies of the UTWA – including locals, district councils and joint boards – to petition the White House for import controls on all textile products, and to show their support for legislative proposals by Hollings and House Ways and Means Committee Chairman Wilbur Mills, an Arkansas Democrat, to limit importation of all textile products, regardless of content.

In response to the call from the Atlanta conference, UTWA members in North Carolina collected 20,000 signatures on petitions and letters to Johnson and to Rep. Roy A. Taylor, whose Asheville-based district was the epicenter of the UTWA effort, asking for an extension of the LTA to wool and synthetic fabrics based on quotas for country and category.

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68 Ibid.
69 Ibid.
UTWA members collected signatures on letters and petitions asking for “reasonable quotas on yarn and fabrics imported into this country” to protect the jobs of 2 million textile and apparel workers and their industry. Baldanzi also hailed the House passage of the Dent Bill as a step toward reducing imports, calling it a “good first step in the establishment of proper safeguards to preserve the hard-won gains achieved by American workers, which are endangered by the unrestricted importation of foreign goods produced under conditions that would be illegal in this country.”

“If it is logical to have an international agreement to control the importation of cotton textiles, it is equally logical to have similar international agreements to control the importation of all textile products, particularly in view of the fact that the textile industry has become highly integrated and that synthetics are playing an increasingly important role in it,” the Textile Challenger stated in an editorial that pointed out imports both exposed corporate greed at the root of low-wage textile production abroad and simultaneously threatened improved working standards in the United States that had been won over decades. “Why should the American workers be expected to continue to subsidize this greed? On the one hand he sees no benefits accruing to the peoples of the developing nations, and on the other he sees the growing threat to the industry in which he works, to his own security and well-being.”

70 “A Call for Action: 20,000 North Carolinians Urge Broad Import Curbs; Petitions to Pres. Johnson Call for International Pacts on All Textiles,” The Textile Challenger, October 1967: 1.

71 Ibid.

72 Ibid.
While the resistance to the Kennedy Round did not yield any import quota legislation, the UTWA at the end of 1967 could point to progress in new contracts and election victories and expansion in both the United States and Canada, as well as what it termed “the best financial condition [the union] has been in.” Yet imports were the chief concern the UTWA listed, describing the issue a “paramount concern,” especially with the growth in synthetic textile imports, and urged international agreements that imposed import quotas on each branch of the industry.74 Through the year, unions in other industries began to emulate textile unions’ call for import quotas and trade protections; those efforts generated a series of import quota bills that stopped the Johnson administration from moving ahead with its own package. It was less certain, however, that this activism among manufacturing unions would be enough to convince the AFL-CIO to recognize that expanded trade had its drawbacks and force the federation to rethink its support for trade liberalization.

Wipeout: Textile Labor Fails to Sway the AFL-CIO on Trade

The UTWA campaign against imports began to capture the attention of the AFL-CIO. In December 1967, at the federation’s seventh constitutional convention, meeting in Bal Harbour, Florida, foreign trade marked one of the topics on the agenda for the nearly 950 conferees in attendance. The conference was an environment in which President Johnson and five members of his cabinet – Secretary of State Dean Rusk; Labor Secretary W. Willard Wirtz; Attorney

73 “Ring Out the Old: The State of the Union Is Good as New Year Begins; Future Bright Although Many Problems Remain,” The Textile Challenger, December 1967: 1.

74 Ibid.
General Ramsey Clark; John Gardner, the secretary of health, education, and welfare; and Transportation Secretary Alan Boyd – addressed the convention and in which AFL-CIO President George Meany boasted of a strong, effective labor movement that “constituted and will continue to constitute the vital main force of the progressive movement in America.” Having gained 1.5 million dues-payers since the previous convention, raising membership to 14.3 million, Meany said that at no time within his memory was the labor movement “better equipped and prepared to deal with its problems and responsibilities in society than is the case today.”

The concern and actions of the UTWA, the smallest of the four textile and apparel unions, did not translate into immediate action with the AFL-CIO. The federation issued a resolution on international trade that simply noted “many problems which created difficulties for American firms and groups of workers were not solved” as the Kennedy Round of tariff negotiations proceeded. As world trade continued to expand, surpassing $200 billion in 1966, the resolution only stated that imports were disrupting domestic markets and industries, and imposing “severe hardships on thousands of American workers.”

The AFL-CIO resolution said that the United States had maintained an export surplus, but it was no larger overall in 1967 than it had been in 1960. Meanwhile, the nation had become a net importer of products such as basic steel,

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77 “AFL-CIO Convention Warns Of Foreign Trade Dangers”: 1, 8.
a product that had indicated the nation’s industrial strength. In seeking causes for the increasing disruption, the delegates cited military commitments as part of the Vietnam War and an expanding domestic economy during the decade, but largely settled on American corporate behavior – specifically, the actions of companies that expanded investments, sales, and production abroad with “little regard to the national interests, employment, labor standards or the American consumer” – as the culprit behind industrial disruption.78

Despite its concern over import competition, the AFL-CIO did not repeat the UTWA’s call for import quotas on textiles. Instead, it argued no simple solution could be found because international trade and investment issues were varied and depended on international negotiations. However, the AFL-CIO did acknowledge a “failure to recognize and treat actual or potential trade problems, affecting specific industries or firms, and groups of workers is as dangerous as overall trade restrictions.”79 Conferees proposed that the LTA be effectively enforced and expanded to cover trade in textiles and apparel of both wool and synthetic fibers. They also called for studies to outline new trade proposals and better mechanisms to address injury from trade, as well as improved government ability to collect and distribute information on trade and investment.80

The AFL-CIO statements on trade were overshadowed by delegates’ concern about efforts by conservatives in Congress to thwart the labor movement with additional anti-labor legislation. The convention declared the AFL-CIO

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78 “AFL-CIO Convention Warns Of Foreign Trade Dangers”: 8.
79 Ibid.
80 Ibid.
would fight such efforts through “maximum mobilization of labor’s resources”
behind its Committee on Political Education (COPE) in the 1968 elections.\(^81\)

The convention also omitted trade issues from a fourteen-point list of
domestic priorities, and in a counterpoint to the argument of Martin Luther King,
Jr., and antiwar critics, the AFL-CIO reaffirmed its support of Johnson’s policies
in Southeast Asia, stating its belief that the U.S. economy “can support the
extension of social advances at home while meeting the needs of Viet Nam.”\(^82\)

UTWA members were also asked to consider resolutions on imports at its
17\(^{th}\) convention, set for Miami Beach in early May.\(^83\) At the UTWA convention,
Baldanzi made imports the central part of his keynote speech, arguing that the
flow of textile imports, valued at $1 billion and coming from nations including
Taiwan, South Korea, the Philippines, Hong Kong, and Japan, threatened the
viability of the domestic textile industry, which generated an estimated $60
billion in the U.S. economy.\(^84\)

While imports threatened to undermine standards that labor had built,
Baldanzi also stated his concern that imports could undermine the War on
Poverty and efforts to desegregate the industry. Until the 1960s, he said, many
southern textile mills would not hire black workers, largely out of social mores
that forbade integrating workforces. Such policies deprived African Americans
of the opportunity to develop skills and careers within the industry. Increased
demands for manpower in the 1960s had forced mills, finally, to employ black


\(^{82}\) Ibid.


workers, only to see those jobs lost to imports. “Poor whites and poor blacks are losing jobs as the mills have been forced to cut back production in face of the rising tide of imports,” Baldanzi said. “When you hurt furniture, garments, toy and shoe industries, as well as textile industries, you wipe out opportunities for people on the borderline of poverty to develop their skills.”

The UTWA delegates passed a resolution in its convention calling for control of cotton textile and apparel imports through “firm enforcement” of the LTA, and the expansion of the LTA to include woolen, synthetic fibers and fabrics, and apparel. The resolution also attempted to place limits on the UTWA’s support of trade liberalization:

Our support and the support of the AFL-CIO for expansion of trade does not extend to the promotion of private greed at public expense; or the undercutting of the United States and Canadian wages or loss of jobs. Our support for expanded trade envisages of expansion, not the contraction of employment. Our objective is to actively promote job security and improved working conditions here and abroad.

Delegates from six local UTWA unions also submitted a second resolution on imports that called for “a broad-based letter-writing campaign” to Congress and the White House supporting textile quotas as a means of preserving domestic textile jobs.

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85 “UTW Convention Blasts Flood-Tide of Imports”: 1.
86 Ibid.
87 Ibid.
88 Ibid.
Textile imports continued to grow, as the UTWA and other textile unions struggled to put import controls on the domestic agenda. In late 1968, the U.S. Commerce Department reported that textile imports in the first ten months of 1968 were up 27 percent over the same period in 1967 – 2.758 billion square yards equivalent (SYE), compared to 2.169 billion SYE for the corresponding period in 1967. In September 1968, imports reached a record of 312.1 million SYE, and for the month of October 1968, textile imports reached 264 million SYE, compared to 207.6 million SYE in October 1967. The increase in imports was even more drastic for synthetic textiles: in October 1968, imports reached 115 million SYE, 58 percent higher than the 72.5 million SYE imported in October 1967.

Textile company executives were quick to note the rise in imports and their implications for the industry. Harold Whitcomb, the president of the American Textile Manufacturers Institute (ATMI) and board chairman of Fieldcrest Mills, said the trends meant the United States was “fast becoming a basic supplier of raw materials and a purchaser of the manufactured goods. If this policy continues there is no way in the world to keep from exporting American jobs.”

In an address to the Synthetic Organic Chemical Manufacturers Association in New York, Whitcomb said conditions were much different than in 1934, when the RTAA was enacted. The main differences between 1934 and 1968, he said, was that the wage gap between the United States and exporting countries had widened, while the technological gap had narrowed. Comparing

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90 Ibid.
91 Ibid.
average textile wages in the United States with those of Japan, Whitcomb pointed out that the Japanese textile worker averaged 36 cents an hour, while his American counterpart earned $2.27. While wages had increased faster since 1961 in Japan than in the United States (50 percent versus 36 percent), the actual wage increases favored the American worker: 59 cents in the United States, versus 12 cents in Japan.92

Whitcomb also warned that increases in imports would continue as both textile labor and industry executives would try to determine the stance President-elect Richard M. Nixon would take on trade and imports. Whitcomb predicted that import levels would likely reach three billion square yards by the end of 1969. “This is more than three times what they were in 1961 when President Kennedy decided that textile imports had reached a level where in the national interest something had to be done,” he said.93

While manufacturers were expressing concern over the increase in imports, Baldanzi was warning textile and garment union workers from around the world of the threat imports posed to living standards and jobs in industrialized nations. “What has happened is that the financial interests on a world-wide basis are establishing productive facilities in developing countries and in countries such as Hong Kong, Taiwan, Korea, Portugal and Mexico,” Baldanzi told the 1968 gathering in Berlin, West Germany, of the Congress of the International Textile and Garment Workers Federation (ITGWF), representing more than 3 million textile and garment workers in 55 affiliated unions in 34


93 Ibid.
countries. The new production has been established with little regard for workers’ social and economic interests; instead, they asserted, exploitation of abundant labor sources and capturing market share in advanced economies like the United States was the driving force.\textsuperscript{94}

At the congress, many union representatives, including textile and garment unions in Western Europe, shared Baldanzi’s concern over low-wage imports and noted similar problems caused by low-wage imports. Baldanzi said the UTWA would oppose efforts to expand world trade if it were only concerned with “the utilization and exploitation of workers in the newly emerging countries and other low-wage areas for purposes of importing production into the American market.”\textsuperscript{95}

Baldanzi reiterated the UTWA position of seeking to include man-made fabrics in the LTA, and asked the congress to “increase its campaign” to end import disruptions in the international textile trade that was harming the industry in more developed nations. In response, the ITGWF resolved to increase its organizing efforts in less developed nations to “counter the threat of low-wage competition,” and established new regional branches in Africa in response to expanded textile production in Nigeria and Uganda. The ITGWF also passed a formal resolution that stressed the unions’ desire to assist developing nations and support world trade, but offering only conditional support to affected workers.”\textsuperscript{96}


\textsuperscript{95} “World Textile Union Leaders Map Trade Import Program”: 6.

\textsuperscript{96} Ibid.
With the inauguration of Richard Nixon as president in January 1969, unions like the UTWA hoped to impress their needs upon him as textile owners had done in securing their support from him in the 1968 campaign. The UTWA’s Baldanzi, with the support of the union’s executive council, sent Nixon a letter on February 7, less than three weeks after his inauguration. Baldanzi asked Nixon to support a three-point plan that would institute training programs for the unemployed, close wage differentials between northern and southern textile workers, and impose import quotas on cotton and synthetic textiles. Though the solutions Baldanzi sought required effort from the state, he sought nevertheless to use the state as a means by which to capitalize on Nixon’s campaign themes of seeking out efforts from the private sector to address some of the nation’s more serious economic issues. In this case, by urging higher wages, training programs, and import controls, Baldanzi sought federal action to push a private actor – the textile industry – into meeting Nixon’s stated goal of using the private sector to ease societal problems that unions had identified.

Even with imports foremost in the mind of textile unions, Baldanzi listed a wage increase as the first item of importance in his letter to Nixon. In the fall of 1968, textile workers’ wages averaged $2.26 per hour; by comparison, manufacturing wages averaged $3.04 an hour. Such low wages had produced a

97 See Timothy J. Minchin, Hiring the Black Worker (Chapel Hill: University of North Carolina Press, 1998). Southern textile operators supported Nixon in his 1968 presidential run in exchange for efforts to protect the industry; at the same time, textile manufacturers blamed the federal government for its drive to integrate the mills through the Equal Employment Opportunity Commission, established by the Civil Rights Act of 1964.


99 “UTW Asks Pres. Nixon Support Three-Point Plan To Aid Textiles.”
shortage of skilled textile labor, and the wage differential that vexed northern and southern branches of the textile industry still remained. Baldanzi asked Nixon to find ways to help narrow and eventually close both differentials, such as by raising the federal minimum wage from $1.25 an hour, to $2 an hour.\(^{100}\)

Baldanzi repeated his request for federal help in both discussing the need to address foreign imports, and called for a manpower development program in the Southeast to train the hard-core unemployed as workers for the textile industry. He also saw an opportunity to use such programs to speed the integration of the textile industry in the South. “With the labor supply for the industry in the Southeast at such a critically low ebb this is a rare opportunity to establish training programs which would result in immediate jobs for hard core unemployed, white and Negro,” he said. Such training programs had additional benefits: they could reduce poverty while giving residents of economically distressed communities access to work and better, stable wages.\(^{101}\)

**Public Displays of Discontent: Labor Takes to the Streets**

By the summer of 1969, the UTWA had expanded its efforts to fight imports, working alongside (but not with) other textile and garment unions, such as the TWUA, the International Ladies’ Garment Workers’ Union (ILGWU) and the Amalgamated Clothing Workers of America (ACWA), whose activism had turned to letter-writing campaigns and informational pickets by 1969. In that year, the ACWA’s in-house publication, *The Advance*, had urged ACWA


\(^{101}\) “Complete Text: Baldanzi Letter To President Nixon”: 3.
members, locals, and joint boards to call Nixon, their senators and representatives and send letters and resolutions to elected officials and their local newspapers urging action to reduce imports. “Rising imports threaten jobs and standards in the textile and apparel industry, which employs 2½ million people, many of them members of minority groups, women, and others who won’t find it easy to find other jobs,” the ACWA warned in an ad in The Advance. “The result could be more people on welfare, rising taxes – all the things this nation is trying to avoid.”

“No one can really escape this problem any more,” Baldanzi said in June 1969. “It is so serious that all workers – union and non union – chambers of commerce, civic clubs and other community organizations in every mill town and city must join our fight to exist.” With imports continuing to grow at rates even higher than those reported in late 1968, Baldanzi argued that the industry’s survival against imports was of higher and more immediate importance than “even high wages and profits.”

The new round of globalization in the garment and textile industry had long concerned the leader of the nation’s largest garment workers’ union. Jacob Potofsky, a Russian immigrant and pocket maker at Hart Schaffner & Marx in Chicago, was all of 19 years old when he witnessed the birth of the Amalgamated Clothing Workers of America on New York’s Lower East Side in 1914. A manager of his local board, Potofsky had risen through the ranks to become an

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104 Ibid.
aide to ACWA president Sidney Hillman and his successor upon Hillman’s death in 1946. Potofsky had called attention to the increase in imports in the late 1950s; now, a decade later, the rise in imports brought him into the spotlight once more.

By 1967, the ACWA had embarked on a small campaign, holding informational pickets outside stores selling imported clothing. The idea was to make shoppers aware of the threat to domestic jobs posed by cheaper, imported clothing. The ACWA had gained notice for the benefits it secured for its workers: better workplace conditions; pension and health benefits; cooperative housing and even banking. But rapid import competition for the domestic apparel industry in the 1960s and 1970s, especially in synthetic clothing, threatened to undermine decades of effort by the ACWA to improve wages and working conditions in the garment industry (Table 3). “Years of scowling at the accelerating rate of imported clothing and apparel has been in vain,” Men’s Wear wrote in a 1969 profile. “And like a modern Moses with a close-cropped stubble of white hair, clipped goatee and moustache, Potofsky sees an increasing need to lead the industry out of potential import bondage.”

The trade and daily press were noticing the new globalization and the consternation it was causing among labor, manufacturers, and retailers. “It is theoretically possible to walk into a major department store stark naked and walk out fully – and inexpensively – clothed without buying a single American-made item,” the Los Angeles Times declared in 1969, listing a wardrobe that could include Taiwanese underwear, a shirt from Hong Kong, an Italian suit, and a necktie from Thailand. “The significance goes much deeper. To the consumer, it


<table>
<thead>
<tr>
<th></th>
<th>Man-Made</th>
<th>Cotton</th>
<th>Wool</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962</td>
<td>48.9</td>
<td>381.8</td>
<td>45.6</td>
<td>476.3</td>
</tr>
<tr>
<td>1963</td>
<td>53.7</td>
<td>384.2</td>
<td>54.6</td>
<td>492.5</td>
</tr>
<tr>
<td>1964</td>
<td>92.1</td>
<td>414.7</td>
<td>53.9</td>
<td>560.7</td>
</tr>
<tr>
<td>1965</td>
<td>159.5</td>
<td>457.1</td>
<td>67.6</td>
<td>684.2</td>
</tr>
<tr>
<td>1966</td>
<td>229.5</td>
<td>485</td>
<td>62.8</td>
<td>777.3</td>
</tr>
<tr>
<td>1967</td>
<td>343</td>
<td>475.4</td>
<td>59.3</td>
<td>877.7</td>
</tr>
<tr>
<td>1968</td>
<td>558.3</td>
<td>514.7</td>
<td>79.8</td>
<td>1152.8</td>
</tr>
<tr>
<td>1969</td>
<td>914.8</td>
<td>524.5</td>
<td>80.8</td>
<td>1520.1</td>
</tr>
<tr>
<td>1970</td>
<td>1140.3</td>
<td>477.8</td>
<td>76.1</td>
<td>1694.2</td>
</tr>
<tr>
<td>1971</td>
<td>1536.1</td>
<td>497.8</td>
<td>63.7</td>
<td>2097.6</td>
</tr>
<tr>
<td>1972</td>
<td>1605.5</td>
<td>544.9</td>
<td>75.5</td>
<td>2225.9</td>
</tr>
<tr>
<td>1973</td>
<td>1581.5</td>
<td>448.6</td>
<td>59.7</td>
<td>2089.8</td>
</tr>
</tbody>
</table>

% change, 1962-1973

|       | 3134.15 | 17.49   | 30.92  | 338.75    |

can mean lower prices. To the retailer, higher markups. To American manufacturers, increased competition. To American labor, a threat of lost jobs.”

Manufacturers were in a dilemma: if they joined their unionized workforces in opposing imports, they could risk losing business to cheaper manufacturers or even closing down. Or they could manufacture goods overseas, make greater profits, and risk having a union-led educational campaign, complete with informational pickets, at their front door. Some attempted to make peace with the unions. In March 1969, the Clothing Manufacturers Association of the United States, a trade group, adopted a resolution calling for “the orderly marketing of imports by men’s, young men’s and boy’s tailored clothing by setting quotas by category and by country.”

Retailers were much less conflicted than their suppliers; they saw imports as integral to having “the freest of markets where we can buy at the lowest prices for our customers.” They argued that unions had been given relief from import competition in the form of trade adjustment assistance through the Trade Expansion Act of 1962, even as they acknowledged TAA benefits had yet to be dispersed. By tying TAA to the trade bill, retailers effectively turned the program into a justification for increasing imports and potentially reducing industry jobs. Their acknowledgment that assistance had not reached workers was underscored by the Johnson administration’s refusal to put forth a trade bill in 1967, which

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ended an administration proposal to ease the criteria workers and companies needed to qualify for TAA (from imports being the sole cause of job losses to a simple factor behind job losses). “The trouble in the past is that there have been too many delays,” said William Burston, a vice president of the National Retail Merchants Association, referring to the difficulties in extending TAA to workers and firms. “We say the machinery should be speeded up.” Left unsaid, however, was the acknowledgment that retailers’ opposition to import quotas also contributed to the delay in getting TAA assistance to workers and firms.

While Japan had been the focal point of import competition, mainly because of the increase in imports from that nation and the negotiations with the Nixon administration, retailers who were shopping around for better bargains on apparel were turning to other locations. One Los Angeles department store executive said that Japan was still a good place for bargains, but with wages and prices increasing there, Taiwan and Korea were “coming along.” The three nations, along with Hong Kong, did drive much of the growth in textile imports, especially in man-made textiles, in the 1960s and 1970s (Table 4).

Indeed, two contemporary fashion writers who had toured Japan, Taiwan, Hong Kong, Thailand, Indonesia, Australia, New Zealand and the South Pacific reported the apparel industry in this region, combining tremendous gains in style and low wages, posed a threat to domestic manufacturers:

> The Orient and the Pacific are Janus-like in the realm of apparel… taking the low road in costs and the high road in fashion. … A quick look-in to eye-

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108 Rossman, “Do Apparel Imports Fit Market in U.S.?”

109 Ibid.
Table 4. General Imports of Man-Made Fiber, Cotton, and Wool Manufactures from Korea, Hong Kong, Taiwan, and Japan, 1964-1973 (1000s of SYE)

<table>
<thead>
<tr>
<th></th>
<th>Man-Made Fiber</th>
<th>Cotton</th>
<th>Wool</th>
<th>Total</th>
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<tbody>
<tr>
<td>1964</td>
<td>191,469</td>
<td>668,378</td>
<td>55,228</td>
<td>915,075</td>
</tr>
<tr>
<td>1965</td>
<td>362,772</td>
<td>775,782</td>
<td>82,812</td>
<td>1,221,366</td>
</tr>
<tr>
<td>1966</td>
<td>544,847</td>
<td>851,989</td>
<td>86,286</td>
<td>1,483,122</td>
</tr>
<tr>
<td>1967</td>
<td>550,500</td>
<td>830,375</td>
<td>81,068</td>
<td>1,461,843</td>
</tr>
<tr>
<td>1968</td>
<td>806,921</td>
<td>900,867</td>
<td>106,517</td>
<td>1,814,305</td>
</tr>
<tr>
<td>1969</td>
<td>1,179,870</td>
<td>905,849</td>
<td>100,961</td>
<td>2,186,680</td>
</tr>
<tr>
<td>1970</td>
<td>1,576,887</td>
<td>811,864</td>
<td>84,810</td>
<td>2,473,561</td>
</tr>
<tr>
<td>1971</td>
<td>2,577,248</td>
<td>815,726</td>
<td>60,706</td>
<td>3,453,680</td>
</tr>
<tr>
<td>1972</td>
<td>2,078,042</td>
<td>924,409</td>
<td>56,165</td>
<td>3,058,616</td>
</tr>
<tr>
<td>1973</td>
<td>1,568,588</td>
<td>729,921</td>
<td>36,706</td>
<td>2,335,215</td>
</tr>
</tbody>
</table>

% change, 1964-1973: 719.24, 9.21, -33.54, 155.19

witness the garment manufacturing endeavors in these diverse countries verified that the prices paid the apparel workers made it impossible for United States firms to compete – with the inevitable result that Americans will continue to lose their jobs if textile imports are not drastically curbed.¹¹⁰

The authors pointed out that the style gains and wages as low as nine cents an hour in South Korea and Taiwan, versus the $3 hourly wage a garment worker could make in Los Angeles, were “threatening the very life of American apparel firms and the day-to-day jobs of tens of thousands of needlecraft workers in this country.” They suggested some limit on imports – whether through voluntary agreements or legislation – or “garment manufacturers and workers in America are going to be severely jolted.”¹¹¹

Such shocks were already rippling through the U.S. clothing industry. Import quality was improving, in part through new technology, and in other cases as American manufacturers imposed on-site quality controls in overseas plants. ACWA vice president Howard Samuel estimated that synthetic clothing imports increased by 400 percent for the first nine months of 1969 over 1968, and clothing imports, valued at $2 billion in 1967, had increased 60 percent since.¹¹²

From his offices overlooking New York’s Union Square, Potofsky saw imports posing challenges to his union’s membership in his own back yard as well as from the other side of the globe. Along the frontier of northern Mexico,


¹¹¹Roane and Ackerman, “Faraway Fashion Foibles”: 52-53.

¹¹²Rossman, “Do Apparel Imports Fit Market in U.S.?”
the rise of the Border Industrialization Program, more broadly known as *maquiladoras*, offered a new challenge that threatened U.S. clothing jobs.

Mexico began the Border Industrialization Program in 1965 to attract U.S. industry to the northern border zone. In a few short years, the program quickly ramped up; in 1968 alone, the program attracted 66 plants to the zone, more than half the 125 plants that had arrived since its start. It had attracted 20,000 jobs to Mexico, and labor officials such as Nat Goldfinger, the AFL-CIO’s chief economist, believed it could grow much larger. “This has been a partly experimental, partly operational program so far, but within a short time it could really explode into a very serious problem,” he said.113

*Maquiladoras* imported machinery, raw materials, or components for manufacturing without tariffs or restrictions as long as the plant’s entire output was exported. U.S. manufacturers who set up in the *maquiladora* zone and exported their output to the United States, meanwhile, only paid tariffs on the value added to the goods in Mexico – roughly wage costs that ranged between 30 and 40 cents per hour, a fraction of the $1.60 hourly minimum wage and the average $3.10 hourly manufacturing wage in the United States. In addition to the wage and tariff differentials, Item 807 of the U.S. tariff schedule provided an exemption for clothing that consisted of U.S. manufactured components assembled abroad without being altered in appearance or “advanced in value or

improved in condition.” Both factors contributed to a clothing boom in the late 1960s on the frontier of northern Mexico.114

Labor and business traded arguments about the success of the new program. The U.S. Chamber of Commerce claimed American unions helped move U.S. businesses to Mexico because their efforts to raise the minimum wage in the 1960s were “nearly bankrupting so many businesses that rely on unskilled labor.”115 The AFL-CIO executive council, in turn, blamed “greedy businessmen” for exploiting Mexico’s desire for industrialization and creating a system that exploited Mexican workers. The critics in organized labor, especially in textiles, saw a new form of “runaway shops” where workers and factories migrated south across the U.S.-Mexico border. They wanted laws to boost U.S. tariffs on imports and clearly label the country of origin on products; envisioned joining with Mexican unions to organize plants in the maquiladora zone and raise wages; and held out the prospect of boycotting or picketing stores selling goods made in Mexico. “We don’t propose to sit idly by and see our hard-won union standards undermined by some chiselers who want to get by on cheap labor,” Potofsky said.116

While textile and garment unions supported import quotas, other observers were not so quick to agree. Arthur Gutenberg, a management professor at the University of Southern California, said automation would cause jobs to disappear, thereby making imports less of a problem. In areas like

115 “Unions Plan Assault on Companies Lured By Mexico’s Low Pay.”
116 Ibid.
garment sewing, nearly 60 percent of the market was automated, and labor
dislocation was highly unlikely because sewing jobs were disappearing,
especially on the East Coast.\footnote{Rossman, “Do Apparel Imports Fit Market in U.S.?”}

Textile executives, meanwhile, were blaming imports as part of the reason
behind textile company failures and warned that more businesses would close
without definitive action. “It’s been the same thing year after year, with nothing
but promises and mounting casualties in the domestic textile field,” said one
executive. The Northern Textile Association, producers, and a joint statement by
the ACWA, ILGWU, TWUA, and UTWA showed growing urgency for
congressional action if negotiations to persuade Japan to limit textile exports to

Conclusion

The mid-1960s offered fleeting hope that stability in the domestic textile
industry was at hand. Implementation of President Kennedy’s Seven-Point plan;
the end of the “two-price cotton” subsidy for raw cotton exports that made U.S.
producers pay more for cotton than their foreign competitors; and increased
demand for goods as the United States became more involved in Vietnam all
contributed to a small boom of profitability in that period. Increasing
consolidation and exposure to financiers like Warren Buffett held out the
prospect that the industry would be swept into a modern conglomerate era.

But these changes existed alongside continued evidence of an industry in
crisis. The domestic textile industry was more productive, but shrinking. Textile
workers’ wages were rising, yet losing ground in comparison to their counterparts in the U.S. manufacturing sector, exposing yet another example of how low unionization in the textile industry – particularly in the South – consigned workers to low wages. Mergers created larger firms, and the Seven-Point Plan encouraged widespread modernization, but American textile manufacturers were now competing with newly retooled foreign competitors who could always beat the Americans on labor costs. While U.S. textile workers’ wages lagged their U.S. manufacturing peers, they were being undercut further by other textile sectors that were developing in East Asian nations where wages were even lower than in Japan. And at home, the rise of Mexico’s maquiladora program placed low-wage competition closer to the United States than before.

A sudden spurt in imports of cotton textiles in 1966 and 1967 coincided with increases in imports of other goods and the successful conclusion of the Kennedy Round of trade talks, leading to widespread calls from unions in a range of industries for import quotas on numerous products, including textiles and steel, and effectively forcing the Johnson administration to let its trade negotiating authority expire. While the AFL-CIO continued to express its support of trade liberalization, unions such as the ACWA and UTWA joined with other unions to challenge the federation’s position. Textile and apparel unions, in continuing to call for slowing the pace of trade liberalization, saw a need to give their workers and industries a chance to compete in a global marketplace. They also saw protection of the textile and apparel industry as a way to preserve jobs for unskilled and low-skilled workers and contribute to the economic vitality of communities and regions. By 1967, the groundwork had been laid for textile and apparel unions to play a prominent role in convincing
the organized labor movement, as well as the American public, of the need to rethink trade liberalization. The warp and woof making up the fabric of economic security continued to unravel in this period. Now, it would be up to the textile unions, through their public protests against imports, to do their part to repair the fabric.
CHAPTER V
“And We Will Win”: Labor Challenges Trade Liberalization, 1969-1970

In 1967, public dissatisfaction with the results of the Kennedy Round of negotiations combined with worries of increased import competition to spur a new skepticism toward trade liberalization. Members of Congress tried vainly to push multiple import quota bills through, evoking a veto threat from President Johnson and forcing the administration to abandon its own trade bill, which would have renewed the president’s authority to negotiate trade deals. Even so, the AFL-CIO refused to shift its position on the issue. It remained tied to the policy as part of its support of the Kennedy and Johnson administrations’ respective policies on the Cold War.

Such fears of import competition were prevalent in the textile industry, which was increasingly besieged by economic instability at home and the rise of new low-wage competition abroad. Textile unions continued to sound the alarm of the dangers of increased imports on their industries, jobs, and communities. Seeking to alert the general public to the danger of imported clothing to their industries and jobs, the Amalgamated Clothing Workers began to hold public demonstrations to warn consumers against buying imported goods, citing the danger to their industries and jobs.

The import demonstrations exploded onto the scene in 1969 and 1970, forcing the AFL-CIO to confront and reconsider its decades-long support of trade liberalization. The protests dovetailed with incoming President Richard Nixon’s campaign promise of August 1968 to aid the textile industry; he vowed to “effectively administer” the LTA and extend it to wool, manmade, and blended
textile products. Where the events of previous decades highlighted the weakening of the fabric of worker security, these years marked a reversal of fortunes: organized labor, feeling the pressure from unions in textiles and apparel and other industries under assault from imports, questioned the outcomes of trade liberalization and began to challenge more directly the overall objectives of increasing trade. During this period – in contrast to much of the preceding presidential administrations dating back to Franklin Roosevelt – trade liberalization, rather than worker voice, was weakening. Protests by workers, including textile and apparel workers, gained momentum, setting the stage for a potential intervention on imports by the White House and Congress.

The description of these efforts by textile and apparel labor in the late 1960s to raise awareness of import competition and to call for quotas on imports relies on new material from primary sources. Taken together, they tell a detailed story of the nationwide protests against imports by textile and apparel unions in the late 1960s. They also illustrate the decision by the AFL-CIO in 1969, after decades of supporting trade liberalization, to discuss the issue and finally qualify its support of the principle.¹

These trade protests, starting in 1967 by the UTWA and ACWA, as discussed in Chapter IV, branched out to the ILGWU by 1969 and 1970. To be

¹ “Nixon Assures Thurmond on Textiles,” The Washington Post, August 22, 1968. Nixon’s pledge came in an August 21 telegram to Republican South Carolina Sen. Strom Thurmond. In that telegram, Nixon alleged the Johnson administration had failed to protect the nation’s textile industry in trade negotiations and had not done its part to ensure the LTA was enforced.

¹ Many of the articles quoted in this chapter relating to protests, as well as articles from The ACWA Advance, the newspaper of the Amalgamated Clothing Workers of America, are located in the Amalgamated Clothing Workers of America (ACWA) Records, Catherwood Library, Cornell University, Ithaca, New York. A smaller group of articles, found in the Textile Challenger, the newspaper of the United Textile Workers, come from the United Textile Workers of America (UTWA) Records, Southern Labor Archives, Georgia State University Library, Atlanta.
sure, they were overshadowed by the staggering number of events in that tumultuous era: the 1968 presidential election, the Vietnam War, the assassinations of Martin Luther King Jr. and Robert F. Kennedy, the violent protests accompanying the 1968 Democratic National Convention in Chicago, and finally, the triumph of Richard M. Nixon on a “law and order” platform designed to quell the fears associated with the violence of that year.

Yet the debate on import competition, while obscured by these large events, was significant in its own right: the unease expressed by unions in import-sensitive industries like textiles, steel, and electronics, finally moved the organized labor movement away from simply viewing a difference of opinion on trade and toward a realization that it needed to review the principles underlying trade liberalization and advocate for a form of free trade that did not jeopardize entire swaths of the national economy. In doing so, the labor movement finally started a transformation of its views of trade liberalization that would be largely complete by the mid-1970s and which resembles its contemporary philosophy on the subject. As a result, the voices of those who had warned of the negative effects of trade liberalization were being heard for the first time after decades of being ignored or marginalized.

“We Do Not Intend To Surrender”: The ACWA Informational Pickets

Among the four textile and apparel unions, the ACWA had the institutional history and background of activism to take action. Its leadership had sought answers to the rise in imports a decade before, and President Kennedy’s response in 1961 to the union’s boycott against cutting imported cloth from Japan demonstrated the ACWA’s strength in its 400,000-plus members and its capacity
to take its message about imports to the halls of power. Now, the union placed its hopes for import restrictions in a campaign to educate the general public, with the goal of convincing consumers to stop purchasing imported clothing. Their campaign would build on protests that some ACWA members had carried out on a limited basis as early as 1967. It came at a time when the nation’s trade balance in cotton, wool, and synthetic textiles, in a deficit since 1962, was approaching $1 billion per year by the late 1960s (Tables 5 and 6).

On May 19, 1969, the ACWA hit the streets, kicking off what it called an “educational campaign” against imports in midtown Manhattan. The effort began with an informational picket at Ohrbach’s, a moderate-priced department store. At Ohrbach’s flagship, located on West 34th Street across from the Empire State Building, members of ACWA’s Union Label Department and its New York Joint Board crowded the sidewalks, handing out leaflets and gathering signatures on petitions. Others carried signs with a message directed at consumers: “Attention to the Public: Do Not Buy Imported Clothing Sold at Ohrbach’s. Foreign made goods undermine the standards of the New York Joint Board.”

The ACWA’s newspaper, The Advance, described rapidly increasing imports of garments and fabric as the reason for the informational protest. “In

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2 The ACWA had protested imports through leaflet campaigns at least two years before it began a concerted campaign in 1969. The 1967 protests by ACWA took place at two Ohio department stores – Lazarus in Columbus and Rike’s in Dayton – calling imports a threat to the jobs of Ohio’s estimated 20,000 clothing workers. In March 1969, months before the New York protest began, ACWA members in Cincinnati held a leaflet campaign at a department store there to protest imports of suits from Hong Kong. See “ACW Begins Drive On Shillito’s Over Hong Kong Suits,” Daily News Record, March 12, 1969; and Fred Robbins, “Clothing War Brewing Here,” Dayton Daily News, April 6, 1967.

Table 5. U.S. Imports, Exports, and Trade Balances for Cotton Textiles, 1958-1973 (millions of dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports Cotton</th>
<th>Total*</th>
<th>Exports Cotton</th>
<th>Total*</th>
<th>Trade Balance Cotton</th>
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<tr>
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<td>-517.6</td>
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<tr>
<td>1968</td>
<td>476.5</td>
<td>1385.3</td>
<td>228.8</td>
<td>557</td>
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<td>-828.3</td>
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<tr>
<td>1969</td>
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<tr>
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<td>-376.8</td>
<td>-1829</td>
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*Total columns represent import and export sums as well as combined trade balances for manmade, cotton, and woolen textiles.


<table>
<thead>
<tr>
<th>Year</th>
<th>Imports Manmade</th>
<th>Total*</th>
<th>Exports Manmade</th>
<th>Total*</th>
<th>Trade Balance Manmade</th>
<th>Total*</th>
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<td>na</td>
<td>na</td>
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<td>-1829</td>
</tr>
</tbody>
</table>

*Total columns represent import and export sums as well as combined trade balances for manmade, cotton, and woolen textiles.

the year 1968, imports of apparel and textiles rose by 60 percent over the previous year,” the newspaper stated in 1969. “What was once a trickle that caused no alarm has become a flood that threatens our jobs; this flood threatens the very existence of an important American industry. We have successfully fought the sweat shop here at home. We do not intend to surrender to this evil from overseas.”4

Because Japan was a major source of imported material, and some imported men’s clothing came from Hong Kong, the fervor of the cause, at times, combined with anti-Asian stereotypes to produce jarring results. A picket in downtown Cincinnati at Shillito’s department store, which sold suits from Hong Kong, featured ACWA workers “dressed in coolie hats, robes and Chinese masks.”5

Though the ACWA had planned to carry out protests in major cities, the campaign spread across the country over the following months, after The Advance devoted a June 1969 issue for a special report on imports threatening garment and textile jobs.6 In July, 6,000 ACWA members from Fall River and New Bedford, Massachusetts, participated in an authorized work stoppage agreed to by labor and management. Walking off their jobs for two and a half hours, the workers attended a rally in the Lincoln Park Ballroom in nearby North Dartmouth, where they asked the Nixon administration to keep its pledge to limit apparel and textile imports. “Apparel imports from low-wage countries now are threatening our hard-earned American standard of living,” said ACWA


5 “ACW Pickets Store For Selling Suits From Hong Kong,” Daily News Record, April 28, 1969.

New England director Joseph Salerno, who estimated the textile industry had lost more than 200,000 jobs to import competition.\(^7\)

In Ohio, protesters from the ACWA’s Cleveland Joint Board won sympathies and petition signatures from “thousands of shoppers” with their informational pickets in July 1969. At one store, where police were called to disperse picketers, the officers were met with “firm but polite resistance” from picketers who refused to leave. The protest concluded without incident.\(^8\)

As the educational campaign unfolded, the ACWA kept the issue in the public view through political actions as well. In May 1969, Baltimore ACWA representatives Bessie McCullough, Helen Getz, and Rita Petti delivered petitions signed by thousands of workers from New York City, Chicago, Los Angeles, and Baltimore to the White House and the Japanese Embassy. The petitions asked the Japanese to reach an agreement on voluntarily reducing its apparel exports to the United States. The ACWA also placed advertisements in *The New York Times* and *The Washington Post* asking Kiichi Aichi, the Japanese foreign minister, to seek a regulation of U.S. textile imports. The ad, titled “An Open Letter To the Foreign Minister of Japan,” recalled that the United States spent billions of dollars to help Japan recover from the devastation of World War II. It warned that the growth of Japanese imports could produce American plant closures and long stretches of unemployment for low-skilled workers. It called

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\(^8\) “Consumers in Cleveland support Amalgamated’s import action,” *The Advance*, August 1969.
for a voluntary agreement restricting imports and warned that, without such an agreement, legislative imposition of import quotas was possible.⁹

A delegation of ACWA members returned on June 3 to meet at the White House with Peter Flanagan, a special assistant to Nixon. The delegation presented Flanagan a petition with 150,000 signatures collected from New York City, Philadelphia, Los Angeles, Chicago, and Baltimore urging temporary import curbs. The group got what a reporter called a “favorable reception” from the White House.¹⁰

In June 1969, Baldanzi, the ACWA’s Jacob Potofsky, ILGWU President Louis Stulberg, and Sol Stetin, the TWUA secretary-treasurer, met with Commerce Secretary Maurice Stans after he completed a tour of Southeast Asia to learn of imports from the region. Stans pledged to fight for the U.S. industry after a discussion with the four, which included trade and imports.¹¹

The ACWA was not the only union in this period to carry out protests against imports. The UTWA, and its president, George Baldanzi, also continued to work the issue. In May 1969, the UTWA rejected a request from Minoru Takita, the president of the Japanese Federation of Textile Workers (JFTW), to support a resolution it passed questioning whether the United States should curb textile imports. The resolution also asked the UTWA to oppose extending restrictions on cotton textiles to synthetic and woolen textiles. “Our Union has

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¹¹ Ibid.
made no secret of our position in this field,” Baldanzi wrote in a response to the JFTW.

Our support of world trade in textiles stops short of permitting any country to undermine our standards and threaten to destroy thousands of jobs through competition, which is based upon human exploitation. ...The answer to the problem is not to expect the American market to absorb an abnormal amount of imports, which could do severe damage to the industry and to the standards of American textile workers, but rather to build your own market by increasing the standards of your own people so that they can be consumers as well as producers.12

Potofsky, the ACWA president, also weighed in with the White House, writing Nixon to argue that slowing imports was as important as finding jobs for the hard-core unemployed. “Since our government is bending so much of its effort to augmenting job opportunities for the disadvantaged, it appears to us that everything possible should be done to make sure that rising import levels do not undermine existing job opportunities for the disadvantaged in an industry such as apparel manufacturing,” he wrote.13 In response, Nixon returned a four-sentence letter to Potofsky on June 11 that offered vague support for the textile unions’ position. “The working future of those millions of Americans involved in the textile and apparel industry cannot be jeopardized,” Nixon wrote, adding, in a phrase that backed away from his promise to Thurmond in 1968 to enforce the

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12 Wightman, “ACW at White House Encouraged on Quotas.”

13 “President Nixon to ACWA: We’re for ‘orderly flow of imports,’” The Advance, July 1969. The article references an undated letter to Nixon from Potofsky that appears to be from June 1969.
LTA, that he would “work for solutions that will bring about the orderly flow of imports in the textile market.”

The ACWA would keep up its work through its legislative channels as the campaign continued; in September 1969, 14 members of the union’s Chicago joint board visited Washington to speak with Democratic members of the Illinois congressional delegation, presenting them with petitions containing 20,000 signatures urging voluntary curbs on imports. The joint board made its case for limits on imports of men’s and boys’ clothing, asked for work toward an agreement for an international wage for clothing workers, and enlisted Esther Peterson, a longtime labor leader who headed the United States Women’s Bureau and served as an assistant labor secretary in the Kennedy administration, to aid their effort.

Despite Nixon’s assurances, labor was increasingly concerned about Nixon’s proposal to use voluntary trade restrictions to regulate international trade, especially as discussions with the Japanese were not showing progress. Potofsky and Louis Stulberg, the president of the ILGWU, had already sent Nixon’s commerce secretary, Maurice Stans, a warning on May 8: reach a voluntary agreement with Japan to limit textile imports, or the unions would mount an effort to secure import quota legislation from Congress. Stans did meet with Aichi for an hour on June 3, after which Stans told reporters later he believed the two nations would come to a resolution. The issue, he added, would be explored further in a Tokyo ministerial meeting later that summer that he

14 “President Nixon to ACWA: We’re for ‘orderly flow of imports.’”


would attend with Secretary of State William P. Rogers. Stans indicated he would continue efforts to negotiate voluntary agreements with Japan, or open multilateral negotiations with other large textile exporting nations to limit imports. If both options failed, Stans said, he would then be open to legislation establishing quotas. Such an approach squared with the observations of one reporter that a shift on trade was occurring within the labor movement: while labor, on balance, was committed to free trade at least in theory, unions also wanted a slower flow of imports and spoke of mutually protecting America’s trade partners against “imperiled work opportunities and work standards.”

As the summer of 1969 proceeded, the unions continued to plan ongoing actions in the anti-import campaign. At a southern UTWA conference in Atlanta in July, Baldanzi said the four unions would picket major stores and companies in New York and Chicago in protest of imports. Baldanzi also expressed gratitude that Nixon and Stans were taking interest in addressing import competition. “We are optimistic that we might get relief in Washington,” Baldanzi said, “and we may get it because Government officials are being bombarded with letters about imports, and the Republicans certainly want to be reelected in 1970 and 1972.”

The 150 delegates at the Atlanta gathering also approved two of the three legs of a three-point textile plan Baldanzi proposed to Nixon in February. The delegates approved calls for greater limits on imports and a $2 hourly minimum wage, but rejected Baldanzi’s suggestion that UTWA create a worker-training

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program. In a stark reminder of how the labor movement’s failure to organize southern textiles from the 1930s onward continued to haunt and hamstring textile unions, delegates opted for an organizing drive that it hoped would unionize “millions of unorganized workers.”

The Southern regional conference came as more members of Congress began to express concern over the problem that imports posed to the U.S. economy. Members such as Democratic Reps. John Dent of Pennsylvania, James A. Burke of Massachusetts, Al Ulmann of Oregon, John Blatnik of Minnesota, and William Dodd Hathaway of Maine, spoke on the House floor in mid-1969 about the threat of imports. Rep. Wilbur Mills, an Arkansas Democrat who chaired the House Ways and Means Committee, also spoke out on imports. “Imports are growing so much more than the domestic market that we must have a slowing of import growth if a healthy fiber and textile economy is to be maintained in this country,” he said. Mills also noted that wool and man-made fiber textile imports had expanded rapidly – in the case of woolen imports, to the point that woolen imports were more than 25 percent of U.S. consumption, nearly twice the ratio as recently as 1961.

Mills had hoped that Stans’s visit to Europe and Asia in the summer of 1969 would lead to negotiations yielding import limits on woolen and man-made textiles. Yet those efforts did not produce negotiations with other trading partners. If Stans could not reach a multilateral agreement to reduce imports by the fall of 1969, Mills said, “there is no alternative but for the Congress to


legislate on this subject before the end of the present session.” Mills proposed, but did not introduce, a bill that would impose import restrictions on wool, synthetic, and blended textiles. Such a bill would help preserve the “viable growing textile industry” the nation needed. At the same time, he said, it would provide employment for minority groups and residents of depressed rural areas while offering an outlet for sales of agricultural, chemical, and mechanical products.21

On July 22, the day the Apollo 11 crew concluded their historic two-day sojourn on the moon’s Sea of Tranquility and began their return flight to Earth, the four apparel and textile union leaders made a request of Japanese ambassador Takeso Shimoda. They called on Japanese leaders to assist in convening an international conference that would “work out a voluntary agreement to regulate the flow of textile and apparel imports.” The four envisioned an agreement that would apply the framework of the Long-Term Arrangement to synthetic fabrics and apparel. No such conference came to fruition, however.22

On August 2, the ACWA educational campaign reached one of its largest targets: the Chicago flagship of the Marshall Field department stores. The ACWA had eyed Field’s since May 1969 for its sale of Italian-made suits in a city that still had suitmakers like Hart Schaffner & Marx and a garment manufacturing presence. Field’s was also known as, in the words of ACWA Chicago joint board manager Murray Finley, “the largest retail importer of [men’s and boys’ apparel]

21 “More Solons Alarmed Over Foreign Imports.”

in Chicago.” Nearly 450 ACWA members descended upon Field’s store in the Loop to protest sales of imported men’s and boys’ clothing. The protesters included a leggy model, Ingeborg Day, who was captured by a newspaper photographer wearing a man’s suit jacket arranged for crowd-stopping effect and carrying a sign that read “I go for a guy in a union suit.” The action won the support of the Chicago Federation of Labor, a local collection of unions whose history dated back to 1896. Not surprisingly, the protest also won the enmity of Field’s officials. Clarence T. Gregg, a senior vice president, refused to pull imported clothing, saying that move would deprive its customers of the right to independently decide what merchandise to purchase. He suggested the ACWA contact federal agencies, rather than appear at stores, to address the issue of import competition.

**Going International: Pushing U.S.-Japan Negotiations**

The campaign against imports by textile and apparel unions was not limited to informational pickets in front of clothing stores. They took their protests to the international level as well, attempting to push American and Japanese negotiators to reach an agreement on limiting Japanese textile imports. The four American textile and apparel unions also tried to prevail upon their Japanese labor counterparts to push for an agreement.

In September 1969, as American and Japanese officials prepared to negotiate import levels, the ACWA, ILGWU, TWUA, and UTWA ratcheted up

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the pressure. The unions ran full-page advertisements in *The New York Times* and *The Washington Post* during the September 15-16 meeting in Washington.\(^\text{25}\) Titled “When East Meets West,” the ad outlined the unions’ arguments favoring voluntary import restrictions: a 439 percent increase in textile and apparel imports between 1958-1968; a 1,281 percent increase in synthetic and wool imports over the same period; 2.5 million U.S. textile and apparel jobs at stake nationwide. The ad asked the United States and Japan to reach mutual agreements and solutions on textile imports that would “seek to prevent unemployment and business distress in the importing countries” while allowing exporting nations to “share the growth of domestic markets for textiles and apparel.” It closed with a threat that the unions would seek import quota legislation if no agreement was reached.\(^\text{26}\)

The textile and apparel unions’ protest against imports did not find favor in all quarters. Japanese companies and unions were displeased, expressing their opposition in muted, understated terms as discussions between the United States and Japan continued. “We question the wisdom of American union leaders in carrying out such a boycott,” said an official for the Japanese Chemical Fibers Association. A minister with Japan’s Ministry of International Trade and Industry (MITI) simply declined comment, saying the negotiations were “in a very delicate stage.”\(^\text{27}\)


\(^\text{27}\) “Japan Industry, Labor Hit U.S. Boycott Plan,” *Daily News Record*, September 8, 1969. Though Japanese officials saw the U.S. labor actions as a boycott, the ACWA avoided using the term to describe its actions. It referred to the picketing and protest activities as an “educational
The JFTW, which sent observers to a textile conference in Washington in September 1969, as well as to a Geneva meeting of the ITWGF, urged discussions on imports between the AFL-CIO and the Japanese Confederation of Labor (Domei), of which the JFTW was an affiliate. The JFTW, too, said it would be disappointed if the American unions implemented a boycott plan, and that it had proposed joint talks with the ACWA, ILGWU, TWUA, and UTWA in Hawaii over imports, only to be rejected.28

The State Department also weighed in with its disapproval. A spokesman pointed out that the governments of the United States and Japan, were holding discussions aimed at a “voluntary solution” over imports and that efforts by private groups, such as boycotts, were not welcome. “The Federal Government, rather than private groups, is responsible for assuring that foreign trade is not detrimental to our national interests,” the spokesman said.29 The State Department’s opposition, ironically, came on a day when the Commerce Department released figures underscoring the motivation for the import protest campaign: Imports of man-made fiber textiles for the first seven months of 1969 totaled 898 million SYE, an increase of 38 percent over the same period in 1968.30

The ACWA, aware that the State Department did not approve of its anti-import campaign, dismissed the criticism from Foggy Bottom. “I would say, in all candor, that in these matters the State Department is always likely to bring up

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28 “Japan Industry, Labor Hit U.S. Boycott Plan.”


30 “State Opposes Anti-Imports Union Efforts.”
the rear,” Howard Samuel, an ACWA vice president, shot back. “It is still motivated by the Cordell Hull kind of international trade theory, which was valid back in the 30s. The department is less aware of the economic problems that face our country. It really is inspired, almost entirely, by a desire to have a smooth and easy relationship with other countries.” Samuel said the United States had become a target for imports the world over, and that imports of knitted sweaters, gloves, shirts, and slacks had cost 200,000 jobs in the textile and apparel industry since 1964.31

**Turning the Ship: The AFL-CIO and its Historic Positions on Trade**

For textile and apparel unions, years of sounding the warning about imports were beginning to show results with the AFL-CIO leadership by the late 1960s. For decades dating back to the RTAP, the federation and its predecessors had voiced at least tacit support of trade liberalization. In 1962, the federation backed trade liberalization in supporting President Kennedy’s Trade Expansion Act. That support, was based in part on a belief that expanding trade would generate jobs for its members and help the United States meet a Cold War goal of containing communism. The federation’s support held through the biennial conventions of 1965, when the AFL-CIO said that lower trade barriers would yield “a stronger United States in a stronger Free World.”32 The federation urged

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continued trade liberalization as a key to preserving the nation’s economic well-being.  

In its 1965 resolution, the AFL-CIO presciently offered that trade would assume greater importance in coming years. “New problems of the 1960s have received too little consideration and study,” the resolution read. “The question of U.S. investment abroad … needs realistic reassessment in relation to the balance-of-payments and the loss of jobs in the domestic economy.”

The convention adopted a resolution supporting the continued expansion of international trade, but injected eleven conditions, including greater public and private efforts to expand exports; new criteria for relief under the trade adjustment assistance program; the development of international fair labor standards through multilateral negotiations; and continued effort to “work out multi-lateral international arrangements for the development of trade in industries highly sensitive to disruption by unfair competition,” especially in other textile sectors not covered by the International Cotton Textile Agreement. The resolution also called for studies to determine any new efforts that would be needed by 1967, when the Trade Expansion Act was up for reauthorization.

Less than two years later, the tone had indeed changed. Imports became more of an issue concerning steel, chemicals, glass, electronics, and other industries, triggering a call for import quotas. Amid general dissatisfaction with the agreement reached by GATT negotiators in the Kennedy Round, the AFL-CIO was pushed to defend its support of trade liberalization. Supporters of

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33 “Resolution No. 192, International Trade”: 366.
34 “Resolution No. 192, International Trade”: 367.
expanded trade in the labor movement were trying to reconcile with counterparts from industries that were suffering job losses from imports.

The AFL-CIO in its 1967 convention emphasized the need to police imports. While the total value of world trade approached $200 billion in 1966, of which the United States accounted for $30 billion in exports and $25 billion in imports, difficulties abounded with trade. “Other nations have created or maintained barriers to trade, despite achievement of competitive prowess in world markets,” a convention resolution read. “Major trading nations have established quotas, border taxes, variable levies and buy-national policies.” The artificial barriers limited some U.S. industries’ exports. In other cases, the same barriers allowed foreign competitors to build their industries to such levels that they produced excess capacity, which they then tried to sell in the United States.\footnote{“International Trade,” Resolution No. 207, \textit{Seventh Convention Proceedings, AFL-CIO, 1967, vol. 1} (Washington: AFL-CIO, 1967): 578-579.}

The AFL-CIO resolution also noted the problem of imports on U.S. industries and workers. The nation’s export surplus in 1967 was no larger than it was in 1960. Furthermore, the United States had become a net importer of products, including steel, and thousands of workers were being affected. “We cannot ignore the fact that rising imports have disrupted some domestic markets and resulted in adverse impacts on some industries,” the resolution read.\footnote{“International Trade,” Resolution No. 207: 579.}

The federation saw government and business policies as part of the problem in leading to the acceleration of flows of private capital from the United States to other industrial nations and developing countries. The amount of
capital invested abroad by U.S. companies and private investors rose from $3.8 billion in 1960 to $8.7 billion in 1966, while direct private investment abroad from the United States – typically less than $1 billion each year in the first half of the 1950s – increased from $1.7 billion in 1960 to $3.5 billion in 1966.\(^{38}\)

The AFL-CIO cited the Long-Term and Short-Term Arrangements to limit imports of cotton textiles, as well as the Automotive Products Act of 1965 (a free trade agreement between the United States and Canada that effectively integrated both nations’ auto production lines) as efforts in which the United States tried to promote international trade while preventing market disruptions. It called for expansion of trade that did not lend itself to “the promotion of private greed at public expense” or undercutting wages and working conditions.\(^{39}\)

Where the federation had included 11 suggestions for expanding international trade in 1965, it included 16 in 1967, including efforts to fight non-tariff barriers through the TEA; investigation of flows of U.S. capital and their effects on international trade; greater federal enforcement of anti-dumping, antitrust, and other laws that applied to unfair international trade competition; multilateral negotiations to develop international fair labor standards; adopting an “effective and workable” Trade Adjustment Assistance program; and effective enforcement of the international cotton textile agreements, as well as their expansion to include wool and synthetic fibers.\(^{40}\)

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40 “International Trade,” Resolution No. 207: 580-582.
The AFL-CIO Shift on Imports and Trade Liberalization

For the better part of the 1960s, textile unions had been positioned alongside other unions in import-sensitive industries that could not sway the opinion of their stronger fellow unions or George Meany of the negative implications of trade. The widespread calls for import quotas on goods other than textiles and the ACWA and UTWA campaigns against imports that began in 1967 created a steady drumbeat of protest that ensured the AFL-CIO biennial convention in October 1969 in Atlantic City would have a different result than the 1967 convention. The 1969 convention would mark a major change on the federation’s view of trade liberalization as well as its support for the policy. While the change to a Republican administration may have contributed, the AFL-CIO’s position was more a result of the concerns about trade and the economy raised by a collection of unions in other industries than about electoral politics. In addition to promising to take protectionist steps to help the textile industry, Nixon had also aided labor in 1969 by loosening the criteria by which the Tariff Commission could certify workers and companies to receive trade adjustment assistance benefits. The move ended a seven-year stretch following enactment of the Trade Expansion Act of 1962 in which no firms or workers won TAA benefits.41

On October 6, Potofsky, Stulberg, Baldanzi, and Pollock joined with Meany and leaders of six other unions to describe the devastation imports had

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imposed on their respective industries. Their comments reflected a sobering realization that the landscape for American workers had drastically shifted. American technology and know-how alike were no longer limited to its borders; companies were not tethered to a sovereign nation, but were multinational enterprises endowed with the ability to shift production and capital more quickly than ever to low-cost areas and export American jobs in the process. Meany continued to defend the federation’s historical support of expanded world trade, but sounded a note of caution, adding that “this expansion must be regulated in some way that will protect the jobs and the standards of American workers from further exploitation overseas.”

Potofsky pointed out that the growth in apparel imports happened quickly. “It was slightly over 10 years ago that the imports of men’s and boys’ apparel first began to show signs of excessive growth in this country,” he said. The Kennedy administration’s negotiation of the STA and LTA covering cotton textiles had helped, and now he called on Nixon to extend the provisions of the LTA to synthetic textiles and apparel. “It is important to our industry, for the price of failure is unemployment and the erosion of our standards,” he said, emphasizing that the ACWA would continue fighting imports. “It is important to the country, for the price of failure is working people out of work, a large number of them having no skills and no place to go except on the welfare rolls.”

Stulberg described the increasing percentage of imported garments over time: in 1958, 5 percent of all garments were imported; by 1968, the proportion

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42 “Meany, Potofsky, 3 presidents protest the rising tide of apparel, textile imports,” The Advocate, October 15, 1969.

43 Ibid.
had reached 19 percent, and was on pace to hit 25 percent by the end of 1969. Stulberg saw imports as a threat to the working standards his union had built, concluding with a criticism of the stalled talks with the Japanese. “We need some attention on this problem or we are going to find the culture of America being imported from Japan, as well as American jobs being washed out,” he said.44

Baldanzi mentioned the threat imports posed to the industry and connected it to the federal effort to desegregate the industry. Without action to limit imports, the jobs of 2.5 million workers in 33,000 plants nationwide would eventually be jeopardized. Furthermore, he said, unregulated imports would “shut off, particularly in the South and urban centers, the growing opportunity for employment of blacks, Spanish-Americans and many other minority groups.”45

To curb imports, Potofsky, Stulberg, Pollock, and Baldanzi said they would pursue federal efforts, like the ongoing U.S.-Japan negotiations, to voluntarily regulate the flow of imports; failing that, they promised to seek “appropriate legislation to check the flow of imports to our shores.” Even with the support the textile and apparel union leaders received, the fight over trade and imports worried some in the AFL-CIO that the internal dispute over import competition would threaten its relationships abroad with non-Communist labor movements.46

A Washington newspaper columnist captured the intensity of the moment at the AFL-CIO convention: “Labor leaders listened passively to resolutions on

44 “Meany, Potofsky, 3 presidents protest the rising tide of apparel, textile imports.”

45 Ibid.

46 Townsend, “U.S. unions fidget over import flow.”
foreign policy, the Vietnam war, civil rights, education and political action. But they came to life only in discussing a convention statement on international trade.” Ten unions used floor time to discuss the effect imports were having on their organizations and the members they represented; six more unions couldn’t take part due to time constraints. In adopting its resolution on foreign trade, the AFL-CIO moved away from its blanket support of trade liberalization. For the first time, the federation condemned what it called the “continuing deterioration of the U.S. position in world trade,” and said new national trade policies were needed. The resolution urged a revision of the Trade Expansion Act of 1962 and an update to trade laws to “clearly state the objective of protecting jobs and labor standards.”

The Five Arguments for Reexamining Trade Liberalization

The drive to limit imports led textile and apparel unions to develop several arguments about foreign competition’s negative effects on workers, communities, and industries. Where supporters talked about the potential for future growth and jobs as a result of lower trade barriers, textile and apparel labor unions noted the changes that were already occurring as a result of import competition. They sought to tie preservation of the industry to the social and economic changes that were under way. They argued that aiding the industry would help the private sector complement the state’s efforts to alleviate poverty or to preserve blue-collar occupations that could get their workers a shot at

reaching a middle-class living. Organized labor used these five basic arguments to convince policy makers of the need for protection against import competition:

“Fair trade, not free trade”: The AFL-CIO began to use this argument in its 1969 shift on trade liberalization. Taken as a whole, the argument did not represent a rejection of free trade. Instead, it signaled the federation’s historic commitment to trade liberalization, supporting unions in industries that stood to benefit from it, while acknowledging the negative impacts of trade on some unions and industries and a desire to find a constructive solution. The major components of the argument reflected a desire to bridge the divide on trade among its constituent unions. The phrase offered a nod of acknowledgment to unions and members in industries like textiles, steel, and electronics, who sought to limit imports, on the one hand, while preserving the federation’s historic commitment to trade liberalization. The phrase also signaled its support of unions in industries that benefited from increases in trade (like the Teamsters near the ports on both coasts of the United States). Taken as a whole, the argument represented the federation’s newfound compromise: its desire to keep the benefits of trade liberalization while minimizing its negative impacts.

“Sweated” labor: This argument, generally put forth by ACWA President Potofsky and other officials, highlighted organized labor’s historic role in the U.S. garment industry to improve working conditions for their members. Trade liberalization threatened to undercut the work of improving industry working conditions by placing American industries in direct competition with sweatshops in emerging nations where such protections did not exist. Purchasing imported goods would tend to support those newly developed textile sectors; hence the argument that “sweated” labor was undercutting American jobs. While this
argument typically applied more to garment factories than to textile mills, which
were not “sweated,” it is important to note that the definition of “sweatshop”
was changing from its traditional definition of a workplace in which multiple
workplace laws were violated. Over time, and influenced by factors such as
neoliberal economics and immigration, “sweatshops” were redefined as mobile
or temporary places in which workers could be profoundly exploited – all
beyond the reach of laws to protect workers because those laws had not been
updated to reflect new forms of abuse. The shifting definition of “sweatshop”
ofers another example of the disintegration of the threads of worker security
that comprised part of the workers’ protective fabric.48

Preserving jobs for an increasingly diversified workforce: The UTWA’s George
Baldanzi put forth this argument in seeking protective measures to aid the
industry. By the late 1960s, the textile industry was facing a concerted effort to
integrate its workforce by the Equal Employment Opportunity Commission
(EEOC). Created by the Civil Rights Act of 1964, the EEOC responded to
complaints of racial or sex discrimination in employment and sought where
possible, to enforce equal opportunities in hiring and promotion in companies or
industries that had patterns of discrimination. Textiles, especially the southern
branch of the industry, became one of the first industries the EEOC attempted to
open in the late 1960s. The textile industry was also segmented by gender, with
women holding many of the lower-paying, low-skilled jobs and men holding
higher-level jobs or positions requiring technical training, such as loom fixers. In
the garment industry, women and people of color, specifically African

48 Jacqueline Hayes, “Toward a Redefinition of the U.S. Sweatshop,” Sanford Journal of Public
Americans and Latinos, constituted a growing proportion of workers in the industry. Here, too, labor unions sought to craft an argument that protecting the textile and apparel industry from imports would also protect the jobs of women and people of color, who would hopefully use those blue-collar positions as steppingstones into a secure middle-class existence.

By extension, this argument linked with the efforts by civil rights groups to seek full employment policies for African Americans. In the last years before his assassination, leaders like Martin Luther King Jr. spoke of a “stage two” of the civil rights movement that sought policies that would bring economic inclusion for poor people of all colors.

In addition, leaders like A. Philip Randolph and Bayard Rustin, with the help of Leon Keyserling, an aide to President Franklin D. Roosevelt, issued a proposed “Freedom Budget” in 1966. The document was widely praised and supported by labor, clergy and even some business groups. However, it was issued during Lyndon Johnson’s “War on Poverty” and received no political support in Congress. The “Freedom Budget” was aimed at creating investments in public sector jobs and infrastructure, guaranteeing a living wage, and providing full employment that would strike at job discrimination.\footnote{A. Philip Randolph Institute, “A ‘Freedom Budget’ for All Americans” (Washington: A. Philip Randolph Institute, 1967).} While the “Freedom Budget” was intended to generate prosperity through public investment, efforts to protect the textile industry, proponents argued, would keep the private sector involved in a similar fashion by maintaining jobs for industry workers that would offer an opportunity to earn a living.
“Wages not Welfare”: This argument, generally reflected on the protest signs that ACWA and TWUA members carried in their informational pickets, also reflected a benefit of protecting the industries from imports: resisting trade liberalization would keep the industries alive in the face of global competition, thus preventing their collapse and the subsequent increase in government expenditures for unemployment, welfare, and other types of public assistance. The phrase also reflected a dignity about work and sought to remind members of the public that their choices as consumers also had an effect on the social safety net and, by extension, their roles as taxpayers.

Preserving communities’ vitality: Finally, the decentralized nature of the textile and apparel industry meant its unions represented members in large population centers, such as New York, Chicago, Baltimore, and Los Angeles. But workers were also located in small towns in all regions of the United States, ranging from the Midwest to the Deep South to Appalachia and into New England. The geographic range of the textile and apparel industry provided a powerful incentive to politicians at all levels between city halls and Capitol Hill. Protecting the industry against imports (which threatened the jobs of union and nonunion workers alike) would also save the jobs of workers, preserving the local economies across wide swaths of the country. The UTWA sought to seize on this connection, arguing before Congress that protecting the industry was a matter of protecting jobs for workers in small towns and large cities nationwide.

As the debate over trade liberalization intensified among the labor movement, in presidential administrations and the halls of Congress, and in the nation’s business community, leaders in textile and apparel unions would
repeatedly use variations of these arguments in calling for limits on imports of
textiles and apparel.

After years of debate among unions on the costs of globalization and trade
liberalization, the AFL-CIO convention proceedings slowly began to reflect that
growing concern. In 1969, the federation convention adopted no fewer than nine
resolutions dealing with the effect of international trade on domestic workers
and industries. Aspects of these resolutions addressed the shortcomings of trade
adjustment assistance, the rise of the maquiladora system along the U.S.-Mexico
border, runaway flag shipping, and the “dollar gap” by which foreign nations
operating under the Bretton Woods system could accumulate dollars and
exchange them for gold from U.S. reserves.50

One of the longest resolutions concerned the use of U.S. direct foreign
investment, licensing arrangements, and patent agreements to effectively export
U.S. technology and jobs. Direct foreign investment by U.S. companies had
expanded from $3.8 billion in 1960 to $10.7 billion in 1968, creating a landscape in
which U.S.-based companies with international subsidiaries could “juggle
production, employment, prices, profits, shipping, technology, patents and
national currencies across boundary lines and oceans, to build world-wide
concentrations of economic power in various industries.”51 The federation,
concerned with federal expenditures used for technology that was then exported,

50 “Foreign Imports and International Competition,” Resolution No. 11; “U.S.-Mexican Economic
Relations,” Resolution No. 207; “Runaway Flag Shipping,” Resolution No. 123; and “The Dollar
Gap,” Resolution No. 131, all in Eighth Convention Proceedings, AFL-CIO, 1969, vol. 1 (Washington:

51 “The Export of American Jobs,” Resolution No. 206, Eighth Convention Proceedings, AFL-CIO,
costing jobs and leading to greater expenditures to address “adverse impacts on communities and job opportunities,” called for the federal government to “adopt and put into effect measures to supervise and regulate the outflows of private American capital,” pass legislation to oversee the operations of U.S.-based international companies; and repeal Section 807 and similar provisions of the U.S. Tariff Code that set low tariffs on imported goods produced in the United States and other nations.\(^{52}\)

Delegates to the convention from the ILGWU weighed in on international trade with a resolution asking federal action to check the relocation of U.S. firms across the Mexican border; a repeal of Section 807, and new laws “to insure that every product assembled abroad be fully labeled as to the country of such assembly.”\(^{53}\) Their concern was stoked by greater efforts by Mexico to convince U.S. garment firms to transfer their operations south of the border, where they could take advantage of exemptions from Mexican tariffs, tax inducements, and “appallingly low wages under which a Mexican worker after a day’s toil barely receives what an American garment worker earns for a single hour’s work.”\(^{54}\) Between 1965 and 1968, apparel imports from Mexico increased twenty-fold, with imports in 1969 increasing at a rate nearly double that of 1968, the ILGWU reported.\(^{55}\)


\(^{54}\) “Runaways to Mexico,” Resolution No. 67: 262.

\(^{55}\) Ibid.
Delegates and officials with the ACWA, TWUA, ILGWU, and UTWA filed a resolution stating their concern over increased imports of textiles and apparel. While total imports of textiles and apparel had increased 438 percent in the past decade, cotton product imports were up 235 percent while wool and synthetic fibers had increased 1,281 percent. Such an increase in imports, the delegates argued, threatened the jobs of the 2.5 million workers they estimated were employed in the domestic textile and apparel industries. Furthermore, the rise in imports threatened employment opportunities for a workforce increasingly composed of racial and ethnic minorities and reliant on jobs not requiring previous training or experience, and endangered an industry concentrated in far-flung communities where textiles provided the “major or the only source of manufacturing employment.”

A separate resolution from the Illinois State AFL-CIO claimed that textile imports had claimed more than 400,000 jobs since 1964. Similarly, a resolution on international trade from the Industrial Union Department pointed out that textile imports more than doubled in four years – from 1.5 billion square yards equivalent (SYE) in 1964 to 3.3 billion SYE in 1968; the difference of imports over exports in 1968 meant a loss of more than $800 million to the U.S. economy.

In their resolution, the textile union delegates requested that import controls on cotton textiles be extended to wool and synthetic fibers; that the

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Long-Term Cotton Textile Arrangement be extended beyond its expiration in September 1970; and that Congress impose legislative import quotas on textiles and apparel if the Nixon administration could not reach agreements with other nations on restricting their exports to the United States.59

The AFL-CIO’s shift, while momentous, generated a what-have-you-done-for-me-lately response in some quarters. “Although gratifying, it is a little surprising that labor has waited so long to take up arms against this sea of import troubles. Some of us have been pleading for a realistic trade policy, and saying the same things, for quite a few years,” a columnist for Leather and Shoes wrote in 1970.

We have been shouted down by the internationalists in industry and banking, who have not hesitated to misrepresent our position as advocating a banning of imports and a ‘turning back of the clock’ on trade. …The delay in labor’s recognition of the seriousness of the import situation testifies to the effectiveness of the snow job the government has been doing over the past decade, particularly in lauding the results of the Kennedy Round. … One can expect, and even hope that with rising [unemployment] likely in the coming months, labor will become even more militant on the import problem.60

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59 “Imports of Textiles and Apparel,” Resolution No. 52: 284.

Raising “a Flag of Distress”: New Labor Militancy Against Imports

Although Meany and other labor leaders who supported trade liberalization proclaimed the AFL-CIO was not hailing a return to protectionism by virtue of the federation’s new call to reevaluate the benefits and costs of trade liberalization, other labor leaders began to question the virtues of free trade in a time of escalating import levels in multiple manufacturing sectors and declining domestic employment. Their observations hinted at a new and assertive labor militancy on issues of trade, building on events since 1967: the growing support for import quotas, the UTWA and ACWA protests, and finally, the AFL-CIO shift.

The protests came at a time when other unions in industries under pressure from imports were making the same argument their fellow workers in textiles and apparel had made for years. Traditionally, most unions had favored trade on the principle that it favored workers: as the worker is also a consumer, the theory went, imports kept prices down and guards the worker’s purchasing power. “But just as the boss in the front office has called for government to protect his plant from low-wage foreign competition, now labor in general is asking the same help to insulate jobs from the same threat,” The Washington Post observed in early 1970. Labor hostility to imports “has spread to glass, steel, shoes, ceramics and tile, maritime, meat processing, electrical equipment, electronics and many other industries. …In urging Uncle Sam to take a tougher stance toward imports, it claimed that the old concept of free trade and protectionism have been outmoded by the spread of managed national economies that encourage exports and hinder imports as a matter of policy, by
the internationalization of technology, the great rise of U.S. investments overseas and the proliferation of multinational companies.”  

Import protests continued into the fall of 1969 as negotiations with the Japanese dragged. On October 29, in Los Angeles, several thousand ACWA and ILGWU garment workers marched out of their factories and to the May Company’s downtown store at Eighth Street and Broadway, carrying signs with messages such as “Imports at May Co. mean Lost Jobs for L.A. Apparel Workers” and “Attention Shoppers: Please Don’t Buy Imported Clothing Sold at May Co.” urging workers not to buy imported clothing sold by the store. Demonstrators spent more than an hour in front of the store, handing out handbills, explaining the impact of imports from low-wage countries on their jobs, and calling for protections.

“How does a U.S. worker compete with sub-standard conditions?” asked Sam Schwartz, manager of the ILGWU’s Los Angeles Dress & Sportswear Joint Board. “Can we go back to a standard of living that comparable to ours is practically abject slavery? … Establish controls and quotas so that there is equity and logic and sanity governing imports.” Without federal action to secure a voluntary agreement limiting imports or a quota system imposed through legislation, 2.5 million U.S. textile and apparel jobs were at risk, said Harry Block, the manager of ACWA’s Southern California Joint Board.

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64 “Garment Workers Fight Rising Tide of Imports.”
Amid the rising number of protests, the ACWA’s General Executive Board weighed in. On November 19, it issued a statement in which it called import competition a threat to the gains the ACWA had achieved in its existence, including a higher standard of living, as well as old age and illness protections. Imports, the board argued, were also striking at the heart of the nation’s largest manufacturing industry and a principal source of employment for minority, low-skill, and women workers, putting many at risk of the welfare line “at the very time that our country is making a determined and costly effort to provide jobs for those already on welfare.” The board declared its intention to help the Nixon administration reach a resolution through negotiations; if that route failed, the ACWA vowed to demand a legislative remedy from Congress. The board concluded its resolution on a defiant note after observing that the nation’s textile and apparel industries needed concrete measures to prevent their destruction, even as they admitted Americans could not compete with workers earning as little as eight cents an hour.

The educational campaign did not receive universal support. One Midwestern newspaper editorialized that such efforts to limit imports could ultimately harm consumers by forcing them to pay higher prices to assist American manufacturers. While some American workers might benefit in the short term, import quotas meant they stood to lose in the long run amid competition with low-wage workers.


66 “GEB resolution on imports.”

67 “Short-Sighted Campaign,” Watertown (Wis.) Times, September 27, 1969.
The spring of 1970 brought renewed scrutiny of trade, and more widespread import protests as observers hoped for a positive outcome of the U.S.-Japan negotiations. In March of that year, the AFL-CIO’s Industrial Union Department hosted the first conference of trade unionists to discuss world trade and its implications for the loss of American jobs. The IUD’s Special Conference on International Trade, held in Washington, came at a time when the Consumer Price Index for all items posted a 6.1 percent increase between 1968 and 1969, the largest 12-month increase in inflation recorded since November 1951, amid the Korean War. It also occurred as John O. Pastore, the Democratic senator from Rhode Island whose hearings in the late 1950s and early 1960s documented import growth in textiles and urged federal action to aid the industry, criticized the Nixon administration for lacking “a workable program to protect American industry and American jobs from low-wage imports.” Pastore’s comments, made at a Miami Beach, Florida, meeting of the National Board of the Coat and Suit Industry, a labor-management board for the industry, were in response to a bill proposed by the administration that would help workers and industries hurt by imports, in effect loosening qualifying standards in the TAA mechanism in the Trade Expansion Act of 1962. Pastore said the proposal was akin to “paying for embalming fluid after you’re dead” and suggested Nixon and federal agencies take stronger, proactive actions on imports, especially in negotiating a voluntary agreement with Japan to reduce its textile exports to the United States. Such measures would help Japan reduce its balance of trade surplus with the United

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States, which stood at $1.5 billion in 1969, with $1 billion of that amount coming from textiles.\textsuperscript{70}

The IUD, which comprised of approximately 60 international union affiliates, decided to hold its imports conference because “we thought it was about time that we took a fresh look at foreign trade as it affects the economy and its workers,” said IUD administrative director Jacob Clayman. “This is the first time that the trade union movement has raised the flag of distress on this issue but it is about time.”\textsuperscript{71}

Clayman cited several examples: textile imports doubling between 1965 and 1969; the value of electronics imports increasing from $1.3 billion in 1968 to $1.9 billion in 1969; and the number of shoe imports rising from 10 million pairs in 1966 to 176 million in 1968. In addition, Clayman said workers were losing jobs in the glass, ceramics, steel, and automotive industries as well.\textsuperscript{72}

The conference also promised to examine the issue of multinational corporations. In 1968, Clayman said, multinational corporations produced between $150 billion and $200 billion worth of goods, behind only the United States and the Soviet Union in terms of output. Yet the production did not benefit the foreign worker with higher wages or domestic consumer with lower prices; Clayman said such arrangements only benefited producers and financiers.\textsuperscript{73}

The trade conference ultimately attracted 600 members from 45 international unions, representing what The Textile Challenger called “almost a


\textsuperscript{72} Ibid.

\textsuperscript{73} Ibid.
roll call of U.S. industry – steel, electronics, textiles, apparel, glass, shoes, pottery, meat processing, maritime and so on.” Lane Kirkland, the AFL-CIO secretary-treasurer, said that imports were “a problem of the entire trade union movement – not just the problem of some workers. It’s a problem of the entire United States and that’s the way we intend to handle it.”

In his keynote address, USWA president I.W. Abel, who also led the IUD, said the import challenge was not an effort to fight once again the battle of high tariff protectionism versus free trade. Instead, Abel said, changes in the postwar era, such as the revival of war-devastated economies; the manner in which U.S. competitors had managed their economies; the internationalization of technology; capital flight; and the rise of the multi-national corporation had dramatically reshaped world trade. A new landscape demanded new answers. “You cannot cling to the trade practices of the past while utilizing all the technologies of the future,” said Elizabeth Jager, the AFL-CIO’s trade expert.

Goldfinger noted the presence of the multinational corporation had created a “third world” that was especially of concern in tracking the export of American investments and jobs because such corporations were not tied to sovereign laws and boundaries. Multinational corporations held about $100 billion in assets, with total annual sales exceeding that amount, and responsible for about 25 percent of both U.S. exports and imports. Yet, such trade, which Goldfinger believed included “the exporting of U.S. technology,” was considered

75 Ibid.
76 Ibid.
company transactions rather than international trade.\textsuperscript{77} They were also financed by international banks, which were not under the control of individual nation-states. In 1969, Goldfinger said, U.S. banks borrowed $7 billion from their foreign branches at a time when U.S. monetary policy was tightening to fight inflation.\textsuperscript{78}

A point of contention arose in the conference over the escape clause in the Trade Expansion Act of 1962. Richard Gardner, a professor at Columbia Law School who helped write GATT, argued the clause gave American workers the protections they needed against imports. When he asked why the U.S. labor movement did not use the clause, Lazare Teper, the research director for the ILGWU, responded that the complex barriers to secure trade adjustment for workers amounted to “burial insurance.” The Tariff Commission, to certify a firm or group of workers for adjustment assistance, had to reach four findings: (1) imports were rising; (2) workers were unemployed or firms were injured; (3) imports represented a major factor in causing unemployment or injury; and (4) that increases in imports were caused “in major part” by tariff cuts, the finding that was most difficult to prove. Because of the difficulty of proving that fourth criterion, the TC received only seven petitions for TAA benefits between 1962 and 1969 and rejected all seven, said Meyer Bernstein, the USWA’s international affairs officer. The rejections, coming as imports of goods were on the rise through the 1960s, dried up support among labor for the program it had conceived and fought to create. Finally, in late 1969, the TC, using new criteria that determined import increases need not be limited to prior tariff reductions,


\textsuperscript{78} Ibid.
finally granted TAA petitions in three separate cases involving about 600 steelworkers in California and Pennsylvania. And in those cases, the workers received fewer benefits than requested.\(^7\)

Samuel argued that nontariff barriers to trade that other nations were using against the United States – such as tax policies, foreign quotas, import licenses, national preference laws, and foreign exchange controls – were also a problem that needed to be addressed. “It is not just that other nations have them, but we don’t see them in the same degree,” Samuel said. “Anyone who talks free trade today is no longer echoing the economic liberalism of Cordell Hull and the 1930s.” Samuel’s statement reflected the new reality of trade in the 1960s: the world had changed, and the United States no longer enjoyed the economic dominance it did in the 1930s or in the aftermath of World War II. As a result, the nation’s trade policy needed to reflect those changes to keep American industries viable and workers employed.

Conferees suggested remedies to fight back against imports, including labeling foreign products, revising tariff schedules, regulating foreign imports, anti-dumping laws, regulating the export of capital, and more adequate trade adjustment assistance for American workers. Another suggestion was to adopt international fair labor standards, a goal of the International Labor Organization.


\(^8\) “Unions Study Steps To Protect U.S. Workers in World Trade.”
Jager pointed out that problems in international trade would be most likely resolved by Congress and the White House.  

As awareness around import competition grew, workers in the four textile and garment unions increased their activism. Leaders and the rank and file of those unions continued to conduct informational pickets and distribute leaflets to customers at major retail outlets that sold imported textiles and clothing from low-wage countries. The ILGWU, TWUA, ACWA, and UTWA also took advantage of British Prime Minister Harold Wilson’s January 1970 visit to the United States. Seizing on Hong Kong’s colonial relationship with Britain, the unions sponsored advertisements in Washington newspapers arguing that imports from Hong Kong, where wages were about 27 cents an hour, had increased significantly between 1962 and 1969: 55 percent for cotton textile goods, 359 percent for woolen goods, and 2,353 percent for man-made and synthetic fibers. The ads urged Wilson to negotiate a solution to Hong Kong’s low-wage exports that would ease the erosion of U.S. textile and garment jobs.

“*It’s Happening Too Late*”: The March 1970 Work Stoppage

The textile and apparel unions’ educational campaign of 1969 and 1970 hit its high-water mark on March 19, 1970, when garment and textile workers engaged in one of the nation’s largest labor protests. Across the country, 200,000 ACWA members walked off the job in an authorized work stoppage to hold protest marches against imports. The action “drew enthusiastic support and flowery oratory from governors, senators, state legislators and community

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81 “Unions Study Steps To Protect U.S. Workers in World Trade.”

leaders,” *The Washington Post* reported in recounting the protests. “It was one of the most respectable strikes the nation has seen.” While workers were upbeat about taking action, others, such as a woman in Doylestown, Pa., wondered why it took so long. “It feels good to get out here and protest,” she said. “But I’m afraid it’s happening too late. This should have happened several years ago.”

The one-day, nationwide work stoppage was part of the ACWA’s call for restrictions on imports of textiles and apparel. Unlike other work stoppages intended to highlight unfair labor practices, this one, taking place in locations where the union had contracts with manufacturers, was designed to focus attention on the increase of textile and apparel imports from Japan and other low-wage countries. While American workers earned an average of $2.30 an hour, their counterparts in Korea (7 cents an hour) and Japan (37 cents an hour) earned far less. Asian nations, however, were not immune: low wages were prevalent among European garment makers in Spain (35 cents an hour) and Italy (54 cents an hour) as well. Even though its wage levels were not as low as Korea’s, Japan retained much of the focus because it had produced large increases in import levels in the late 1960s.

The ACWA held demonstrations in numerous cities nationwide, including Knoxville, Tennessee; Los Angeles, Atlanta, Baltimore, Chicago, and Pawtucket, Rhode Island. TWUA members joined the ACWA protests in at least two towns – Pawtucket and Manchester, New Hampshire. In New York, an

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83 Porter, “Labor’s Protectionist Shift.”


estimated 25,000 ACWA members – shipping clerks, cutters, and sewing machine operators among them – marched a circuitous route that stretched between 15th Street and the Garment District. Among them were Potofsky, Bessie Abramowitz Hillman, an 80-year-old ACWA vice president, and Louis Hollander, a 72-year-old manager of the New York Joint Board; all had been among the ACWA organizers at its founding in 1914. The rise in imports, particularly from Japan, and the Nixon administration’s efforts to negotiate a voluntary agreement with the nation to lower its exports had made the nation a target for sharp criticism and defiance from protest participants. “We will not permit Japan to commit another Pearl Harbor in the clothing industry,” Hollander said during the march.86

Such sentiment was reflected in the Baltimore protest march, combining the argument for import controls with the larger societal anxiety Americans felt at the time about foreign competition. As marchers proceeded down Baltimore Street, a newspaper photographer captured two women bearing protest signs on their backs. One woman’s sign reflected the more immediate need low-skilled workers faced: “This is my job. This is my country. This is the only trade I know.” The second sign conveyed both a longstanding resentment of Japan – the target of the Nixon administration effort to land a voluntary export restriction on textile and apparel exports – and a perception that import competition with low-wage nations was the end result of decades of American effort to implement free trade and stimulate international economies to end the widespread devastation

of World War II: “We rebuilt you. We fed you. We defend you. You want my job now.”

For the most part, however, marchers were focused on their immediate concerns, like working less than full time because imports, not an economic downturn, had reduced their hours. Maria Locada, a sewing machine operator in a 19th Street shop in Manhattan, described erratic work schedules that mingled a few days of work with one to two weeks of layoff. Such schedules made raising families and covering bills especially difficult. “The trouble is I work three days and then I’m off three weeks,” said buttonhole worker Francisco Gonzales. “How do you take care of six kids in that kind of a job?” Added Brooklyn tailor James S. Greene: “People are losing their jobs because of the imports of cheap clothing, but the politicians don’t do anything. Unless the growing problems of the working man are corrected, I’m afraid things are going to get out of hand.”

Rallies connected to the work stoppage attracted thousands of garment workers in other cities, such as Philadelphia. There, more than 25,000 ACWA members, a significant proportion of them African American, joined mayor

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87 William Hotz photograph, Baltimore Evening Sun, March 19, 1970. The ACWA protests and “Buy American” campaigns of this period tapped into a tradition of economic nationalism extending back to the colonial era. Such campaigns also revealed longstanding prejudices. The ACWA protests surfaced anti-Japanese and anti-Asian sentiment, an example of which is demonstrated by the Baltimore Evening Sun photo or protesters’ comparison of imports from Japan as equivalent to the 1941 Pearl Harbor attack that led the United States into World War II. The ACWA protests yielded another example when unions in Pennsylvania, Virginia, and California opposed the presence of traveling salesmen who measured customers for suits to be tailored in Hong Kong and shipped back to the United States. See “Another Hong Kong firm flees information picketline,” The Advance, September 15, 1970; “Attention Shoppers: Are You About To Be Gypped?” (advertisement of ACWA leaflet), The Advance, September 15, 1970; “Pittsburgh Bd. bids city curb peddlers of Hong Kong suits,” The Advance, November 13, 1970; “ACW shows its ‘hospitality’ to Hong Kong peddler,” The Advance, December 4, 1970; and “Hong Kong salesman did not make a dime in Huntington, Pa.,” The Advance, December 26, 1970. For more on the prejudices in “Buy American” campaigns, see Dana Frank, Buy American: The Untold Story of Economic Nationalism (Boston: Beacon Press, 1999).

88 Stetson, “Garment Workers Protesting Imports.”
James H. J. Tate and other union leaders in a rally on Independence Mall. Union leaders claimed that imports of textiles from Japan, Korea, Taiwan, and Hong Kong had eliminated 200,000 jobs in the clothing industry, mainly among members of minority groups. “When they start laying people off, black and brown people are the first to go,” said Bernie Dinkin, a business agent for ACWA Local 170 in Philadelphia. He warned that low wages and prices had already led one center city clothing manufacturer to close up its shop, and more would likely follow.89

Another Local 170 business agent, Eddie Davis, warned the Nixon administration to take action on imports to protect garment workers’ jobs. “These are people who are already having a tough time making ends meet,” Davis said. “These are mostly women with families making anywhere from $1.95 an hour to $4.50 an hour. This industry is the largest employer of minority people in Philadelphia, and we can’t allow it to go down the drain. … I’ll tell you right now that when we start walking the streets, Nixon is going to have hell to pay. About 50 percent of the members of our local are already working three and four-day weeks because there’s not enough work for them. The situation is desperate.”90

In city after city, union members and politicians mingled in rallies to call for protection against imports. Maryland Gov. Martin Mandel and Baltimore Mayor Thomas J. D’Alessandro spoke to an estimated 5,500 workers. ACWA international vice president Samuel Nocella told the audience that suits


90 “March Against Japanese Textiles Is Joined By Mass of Black Workers.”
manufactured in Taiwan could sell for $12.75 in the United States, slightly less than the $14 in labor costs alone to manufacture the suit domestically.91 In Chicago, Mayor Richard J. Daley joined roughly 5,000 ACWA members in the civic center plaza, where he echoed the union’s call for regulating imports and noted that controlling imports would protect the jobs of workers in the city’s clothing industry, including large numbers of minorities. Chicago Federation of Labor secretary-treasurer Thomas Faul added his own condemnation of “the attack of low wage competition on the jobs of American workers.”92

In San Francisco, industry executives participated. Charles Meyers, the ATMI president, expressed his concern that low-cost imports threatened the domestic textile industry. While the unions and textile manufacturers had not historically joined forces to fight imports, Meyers’ statement was a signal that the two groups were beginning to see eye to eye, as far as the issue of import competition was concerned. Another trade group, the Clothing Manufacturers of America, endorsed the ACWA campaign.93

The stoppage in Los Angeles was relatively small by comparison, involving about 3,000 workers. But the Los Angeles Times, in its reporting of the ACWA action, made clear a growing awareness by the general public of the shift the AFL-CIO had begun to make on trade liberalization. “U.S. unions were once among the most ardent champions of free trade and low tariffs, and frequently denounced conservative manufacturers and politicians who were pressing for

91 Stetson, “Garment Workers Protesting Imports.”


high tariff barriers to ‘keep the foreigners out,’” it stated. “Today, the unions officially support a broad interchange of goods around the world, but more and more of them are urging the erection of tariff barriers or some form of quotas to keep out foreign made products.”

In documenting the ACWA demonstration, as well as a call by the International Union of Electrical Workers for a cabinet-level agency to deal with international trade, shoe workers’ picketing the White House over shoe import levels, and even calls from the Screen Actors’ Guild for laws to subsidize production of domestic films, *The Wall Street Journal* also reflected the increasing alarm with which labor was beginning to view imports and trade. “After more than 30 years of strong support for U.S. free trade policies, labor men have begun a major campaign to steer the nation onto a more protectionist course,” it reported.

For decades, textile and apparel unions were long a voice in the wilderness, expressing concerns about imports while leaders in government, business, and even their counterparts in the labor movement all extolled the benefits of free trade. As the fabric of economic security continued to fray while groups focused on free trade and ignored worker protection, textile and apparel unions’ arguments about the down sides of international trade were downplayed or brushed aside. Now, in 1970, as workers and unions in other industrial sectors experienced similar import competition, they joined textile workers to form a chorus of rising voices in the labor movement challenging trade liberalization.

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94 Bernstein, “Men’s Clothing Workers Stage 1-Day Stoppage.”

Enter the Chairman: Import Quotas Come To Capitol Hill

If the protests of textile and garment workers left workers optimistic that import quotas were imminent, news of the negotiations between the United States and Japan was sure to quickly douse that optimism. Through the spring of 1970, frustration mounted as negotiators failed to reach an agreement. Talks between the nations, already strained by Japan’s refusal to agree to import quotas, were further complicated by competing demands. While American unions and the federal government wanted import curbs, domestic textile producers favored scrapping the talks altogether and seeking import quota legislation from Congress. Meanwhile, Japanese textile unions and roughly 60 U.S. corporate leaders, comprising a group known as the Emergency Committee for American Trade (ECAT), both opposed trade restrictions.96

After months of discussion and more than 100 meetings, negotiating sessions, and trips, Japan ended negotiations with the State Department in March 1970. Stans called the move a “negative reply” and “major disappointment.” The Nixon administration later announced it would not object if Congress took action to restrict textile exports. In this manner, Nixon could still take a step toward fulfilling his 1968 campaign promise to back a protectionist measure that could help the textile industry. While negotiations were under way, the administration

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had not written its own bill; now that the talks had collapsed, “there will have to be a legislative solution,” an administration official told The Washington Star.\textsuperscript{97} Congressional action also raised the potential for quotas or other restrictions on woolen and synthetic goods – which the UTWA’s Baldanzi and other textile labor leaders had advocated – as well as restrictions on imports of cotton textiles and apparel to correct the shortcomings of enforcement of the LTA to manage the flow of textile imports.

With talks ended, Mills – who had been described as “an old liberal trade advocate in the tradition of Cordell Hull who has battled the protectionist through 15 terms in the House” – switched his position. Only a year earlier, Mills had held out hope for a negotiated solution, rather than a congressional one, on the question of textile import controls. But with the collapse of negotiations between the Americans and Japanese, Mills introduced the trade bill he had proposed the previous summer to the UTWA delegates in Atlanta. The bill would impose import quotas on textiles and shoes if the president could not negotiate an international agreement for voluntary limitations on imports. The trade bill would join an already crowded legislative agenda for Mills that included a major expansion of Social Security benefits and Nixon’s effort to provide a basic income to all Americans through his Family Assistance Plan.\textsuperscript{98}


At the time, the Commerce Department was officially noncommittal on a trade bill; it simply wanted to help U.S. industries improve the national balance of payments position, which was rapidly eroding after being in surplus since 1893. Under pressure from the Americans to reach a deal limiting textile imports, the Japanese displayed reluctance, essentially daring the United States to impose trade restrictions through legislation. But if the administration could not negotiate some limited protection for its industries, Commerce hoped to use the Mills Bill as a club to end some trade barriers imposed by the Japanese and the EEC by playing into fears that the Mills Bill could escalate protectionist actions worldwide. The State Department also hoped to use concern over the Mills Bill to encourage the United States, EEC, and Japan to collaborate more closely on their trade and monetary relationships.99

As Congress moved toward debating a trade bill, the U.S. textile and apparel industry faced a bleak landscape that reflected an industry once again in decline. In the first months of 1970, a trade publication reported, textile and apparel imports were rising at a faster rate: from 3.6 billion square yards equivalent in 1969, early trade data showed imports on pace to reach 4 billion square yards equivalent in 1970. Despite being both the nation’s largest rural manufacturing employer and the largest employer in New York City, with expansion, Mills’s struggles with alcoholism and addiction to prescription drugs, and his brief dalliance with the idea of running for the Democratic nomination for president in 1972.

224,000 apparel workers across the five boroughs, employment in the textile and apparel industries was falling, dropping by 65,000 workers to 1,395,000 over the 15 months since the beginning of 1969. Worse, employment in textiles was failing to keep pace with all U.S. manufacturing; between 1959 and 1969, industrial employment increased by 31.5 percent, a rate eight times higher than in textiles. While the United States still ran an overall favorable trade balance in 1970, its textile industry had run a trade deficit since 1957. Since 1959, that deficit had multiplied seven times, reaching $1.37 billion in 1969, with Japanese imports accounting for $540 million, or more than one third of the deficit for that year. U.S. textile industry capital spending between 1966 and 1970 was down 23 percent, from $820 million to $630 million—a sign suggesting that managers of conglomerates, like Berkshire Hathaway’s Warren Buffett, were diverting cash that could have improved textile operations into other business ventures.\textsuperscript{100}

The Mills bill, and the activism of the four textile and apparel unions, seemingly offered a ray of hope for the industry and organized labor. After decades of supporting liberalized trade, the American labor movement had finally, if painfully, begun to realize that trade was not a panacea for everyone and that American workers needed a way to navigate a new global environment that featured the spread of technology, capital flight, and multinational corporations— all hallmarks of the environment that American corporations created in the postwar era. For a brief moment, the voices of textile and apparel unions, which had been in the minority on trade liberalization, were poised to move toward the goal of saving their industry from imports. More importantly, they were raising a salient point that trade liberalization was not full of

\textsuperscript{100} “Washington Scene.”
boundless opportunities for all workers. Trade also had a down side – one that politicians and business leaders mostly shunned unless they were experiencing its negative effects.

Despite the presence of imports produced by *maquiladoras* and workers earning as little as 8 cents an hour; labor unions’ differences with manufacturers and each other; and the refusal of industrializing nations to accede to American trade demands; textile and apparel unions had succeeded in bringing import problems into the spotlight. They had mobilized their workers and the general public, educating millions of Americans about the rising tide of imports and prodding them to think about the economic and social consequences of low-cost garments manufactured by low-wage labor. As Congress prepared to mark up and debate the Mills Bill, the unions’ attitude on imports was best reflected in the confident, defiant words of the ACWA’s November 1969 executive board resolution on imports: “We do not intend to permit the fruits of 55 years of struggle and sacrifice to be washed away; we bring to the struggle against imports the same determination and energy we brought to all the struggles of the past. And we will win.”

**Conclusion**

The public demonstrations against imports by the ACWA and UTWA helped push the issue of trade into the public consciousness more firmly in the 1967-1969 period. More importantly, the concerns of textile labor and other manufacturing unions helped force the AFL-CIO in 1969 to do more than simply acknowledge that a difference of opinion on trade existed among its constituent

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101 “GEB resolution on imports.”
unions. In 1969, with trade deficits in the textile industry reaching $1 billion and the United States facing dwindling surpluses in its balance of trade, the federation finally began to rethink its decades-long support of Cordell Hull’s philosophy of trade liberalization. The federation’s reconsideration of its position on trade and its call for a trade policy that did not undermine domestic industries fit well within the political call for limiting imports of textiles, steel, electronics, pottery, and a host of other goods.

The protests of unions like the ACWA and UTWA complemented their ongoing efforts before Congress to call for limiting imports, a call that had been made nearly a decade earlier by the Pastore Committee. The public demonstrations appeared to add to a growing call for protection of industries that were sensitive to import competition. In addition, textile unions and executives felt they had an ally in Richard Nixon, who regularly engaged labor and who in 1968 (in a move mirroring that of John F. Kennedy in 1960), had pledged to curb imports. Nixon’s pledge helped shore up the southern vote, winning support that thwarted George Wallace’s independent presidential bid that year. Labor could also take heart in the switch of House Ways and Means Chairman Wilbur Mills, who by 1970 was also willing to push for import quotas. With public attention galvanized, organized labor rethinking its position on trade, and elected officials appearing to be receptive to some form of protection for American industry, textile labor turned its attention to Washington once more to fight what it hoped would be a successful campaign to save the beleaguered industry.
CHAPTER VI
The Mills Bill: Import Quotas, Presidential Politics, and Globalization

For organized labor, 1969 marked a turning point on the issue of free trade. Nearly two decades after noticing increases in imports, and amid a growing trade deficit in textiles, the informational pickets of the UTWA, ACWA, and ILGWU spread greater public awareness about the economic threat posed by imports. The AFL-CIO, which had balanced varying opinions from its unions about the benefit of trade liberalization through the 1960s, was forced to take note of the protests coming from the unions in import-challenged industries. After decades of support for the principle of trade liberalization, the federation came to the conclusion in its 1969 biennial convention that the time had come to reevaluate its support of that principle.

Encouraged by the AFL-CIO’s shift, textile and apparel unions continued to press Congress and the Nixon administration for import quotas to protect their industry. During much of 1970, they appeared to have allies in both places, opening a brief window of opportunity to pass import quotas through a measure supported by the chairman of the House Ways and Means Committee. But that window closed quickly as a result of economic decline, shifting political fortunes, and opposition from multinational firms. As a result, unions in the textile industry and other import-sensitive industries ended the year as politically isolated as before. Despite the weakening of worker security policies over the years, labor was still durable enough to register its newfound opposition to trade liberalization. But it was too weak to convince lawmakers – some of whom now saw trade liberalization as a means to boost the domestic economy – that
American workers in industries like textiles and apparel were in need of help and in danger of being left behind.

**A Changing Economic Landscape: America in the 1970s**

The early years of the 1970s represented a watershed for the United States, marking the end of a quarter-century of prosperity that followed World War II. Between 1970 and 1974, the administrations of Richard Nixon and Gerald Ford struggled with surging unemployment, budget deficits, and growing inflation that sapped the nation’s economic vitality. In 1971 alone, Nixon abandoned the fixed rate of exchange established by the Bretton Woods system in 1944 to stop an outflow of U.S. dollars; imposed wage and price controls in a bid to hold unemployment down; and devalued the dollar in an effort to make American exports more affordable. Just before the end of 1971, the United States recorded its first trade deficit overall since 1888. While the nation’s overall trade balance entered a deficit, its textile trade deficit continued to widen in 1971, exceeding $2 billion for the first time.¹

The economic decline of the late 1960s and early 1970s severely hampered President Nixon’s effort to realign American presidential politics in a manner not seen since the formation of the New Deal political coalition in the 1930s. As he had done in 1960, Nixon sought the support of southern textile executives; by June 1968, he secured the support of Sen. Strom Thurmond, the onetime Democrat and “state’s rights” presidential candidate in 1948 on the Dixiecrat ticket. By 1968, Thurmond had become a Republican as a result of his objection to the Civil Rights Act of 1964. While Thurmond initially backed Nixon due to his stance on defense (as opposed to textiles or other domestic issues), Nixon later pledged to aid the textile industry, which represented 40 percent of the state’s manufacturing jobs, by enforcing the Long-Term Arrangement, the international agreement negotiated in 1962 to govern the flow of international textiles.

Thurmond used Nixon’s telegram to build GOP support in the region, effectively splintering the Democratic Party’s conservative southern wing, which was expected to get behind George Wallace, the former Alabama governor who was running on the pro-segregation American Independence Party ticket (and whose campaign was an updated version of Thurmond’s 1948 candidacy). By supporting Nixon, Thurmond also paved the way for southern textile executives to end their historic allegiance to Democrats and get behind the Republican Party. The political shift of southern textile executives also was a natural consequence of the industry’s unease with the federal government’s fight,

starting in the Kennedy administration, to end racially discriminatory hiring practices in the textile industry.²

While Democrats’ fracturing around issues of race, cultural politics, and the Vietnam War was making the job of building a political coalition easier for Nixon, he still had no easy path. As the economy fell into a recession in December 1969, trade was one of the issues revealing a loss of U.S. dominance in the global economy, along with recession, inflation, high interest rates, tightening credit, stock market declines, and the fall of the dollar. Nixon had to scramble for answers or risk damaging his party’s prospects in the 1970 midterm elections, not to mention his own reelection chances in 1972.³

² Allan J. Matusow, *Nixon’s Economy*: 120-122. In the August 1968 telegram (which was discussed at the beginning of Chapter V), Nixon criticized Presidents Kennedy and Johnson for their handling of the 1961 seven-point program, declaring he would add wool and synthetic textiles to the import safeguards of the Long-Term Arrangement. While Nixon’s Democratic opponent, Hubert Humphrey, vowed to take similar action, Thurmond used Nixon’s statement to build GOP support in the region; as president, Nixon also eased off his predecessors’ refusal to award contracts to textile firms with a documented record of racial discrimination in hiring practices. See Timothy J. Minchin, *Empty Mills: The Fight Against Imports and the Fate of the Southern Textile Industry* (Lanham, Md.: Rowman & Littlefield, 2013): 55, and Minchin, *Hiring the Black Worker: The Racial Integration of the Southern Textile Industry 1960-1980* (Chapel Hill: University of North Carolina Press, 1999): 30. More recent assessments of Thurmond’s endorsement of Nixon assert that support for the textile industry formed part—but not all—of the reasoning behind Thurmond’s June 1968 endorsement of Nixon, a point that stands up, considering Thurmond’s endorsement preceded Nixon’s textile telegram by two months. Joseph Crespino argues that Thurmond was a prototypical New Right politician (favoring a strong national defense, laissez-faire business policies, a “law and order” stance, and less federal involvement on civil rights) who made the party more favorable to southern whites and recent transplants. William A. Link, meanwhile, pointing to the interplay among textile industrialists like Roger Milliken (Nixon’s finance chairman in 1968) and Republican politicians such as Jesse Helms and Barry Goldwater, argues that the textile industry’s receptiveness to the GOP paired with southerners’ reaction to civil rights to help the New Right expand its reach beyond places like Orange County, California, setting the stage for the eventual triumph of the New Right coalition. See Joseph Crespino, *Strom Thurmond’s America* (New York: Hill and Wang, 2012), 207-210; 226-227; Crespino, “Goldwater in Dixie: Race, Region, and the Rise of the Right” in Elizabeth Tandy Shermer, ed., *Barry Goldwater and the Remaking of the American Political Landscape* (Tuscon: University of Arizona Press, 2013): 144-169; William A. Link, “Time Is an Elusive Companion: Jesse Helms, Barry Goldwater, and the Dynamic of Modern Conservatism” in Shermer, ed., *Barry Goldwater and the Remaking of the American Political Landscape*: 238-258; and Lisa McGirr, *Suburban Warriors: The Origins of the New American Right* (Princeton: Princeton University Press, 2001).

For years, textile unions had beseeched Congress and presidents to offer some protection by way of import quotas. In the 1960s, that campaign brought modest success by way of the Kennedy seven-point plan. Those gains were short-lived as imports continued to grow through the rest of the decade. Now, the changing economic climate hinted at the potential for more assistance for the textile unions and the industry in which they worked. The unions’ campaign to raise awareness of imports, combined with the 1969-70 recession and Nixon’s political calculus, appeared poised to yield a new round of import curbs. The issue suddenly received attention from both ends of Pennsylvania Avenue: as discussed in Chapter V, the Nixon administration, nominally supportive of free trade, took note of the changing environment and sought to sacrifice trade liberalization in an effort to yield domestic political gains. Nixon’s State and Commerce departments tried, clumsily, to convince Japan to reduce its textile exports to the United States below levels set by the Long-Term Arrangement. At issue was the question of whether Japan would agree to limit its exports of synthetic fibers, which were not covered by the LTA when it was first negotiated in 1961. Imports of synthetic textiles exploded in the late 1960s as Japan and other nations exploited this loophole. Negotiations between Japan and the United States stalled, prompting Mills to pursue import quota legislation and raising fears of an international trade war. In a letter to Federal Reserve Chairman Arthur Burns, the Fed’s chief international economist wrote that the

Mills Bill, if passed, “would be the most important backward step in post-World War II industrial policy.”

Nixon’s nominal support for free trade and his simultaneous push to initially restrict textile imports through negotiation demonstrated how he was often guided by political instinct rather than policy considerations. In addition, economic policy was not Nixon’s strong point, and he was not inclined to advocate for corporations, though he needed their political and financial support. His dislike of businessmen and eastern elites often showed, making evident his working-class roots. Though he also ridiculed labor leaders – “They’re short sighted, partisan, hate Nixon personally,” he once said – he did admire labor leaders such as George Meany for their perseverance, though the AFL-CIO nearly cost him the 1968 election by supporting Vice President Hubert Humphrey.

Pushing for import quotas on textiles, for Nixon, was dangerous because it could inspire other industries with stronger unions, like steel, to also push for similar import limits. As a result, Nixon referred to protective measures for textiles as a “special case” that needed attention. Politically, though, seeking protection for textiles was as politically lucrative as it was dangerous: it was an investment that could win him greater support in the South, while securing at least a split among labor unions. Historian Jefferson Cowie has argued that Nixon’s labor agenda was designed to splinter the New Deal political coalition by highlighting workers’ economic interests. This strategy was not built on


actually improving conditions for workers or the fortunes of organized labor, however. Rather, Cowie asserts, it was intended to make “workers’ economic interests secondary to their allegedly superior moral backbone and patriotic rectitude.” In short, Nixon’s labor agenda sought to drive a wedge between organized labor and the Democratic Party. Trade was one of the areas in which Nixon aimed to accomplish those aims. If Nixon could bring labor within his fold while making gains in the South, his New Majority would be within reach.\footnote{Matusow, Nixon’s Economy: 6; “Free Trade Posture Reaffirmed,” Los Angeles Times, November 20, 1969. See Jefferson Cowie, “Nixon’s Class War: Romancing the New Right Worker, 1969-1973,” Labor History 43 No. 3 (2002): 257-283.}

At the same time, Nixon’s interest in imposing import quotas on textiles, starting with his administration’s negotiations with Japan in 1969 at the behest of unions like the ACWA, would be joined by an influential member of Congress who toyed with – and briefly attempted – a 1972 presidential run: House Ways and Means Chairman Wilbur Mills, an Arkansas Democrat. As briefly stated in Chapter V, Mills had long been considered a free trader and opposed import quotas, especially through legislation, until the administration could not reach an agreement with the Japanese. At that point, Mills – who had faced growing calls for import quota legislation from 1967 onward – shifted course. Following the collapse of U.S.-Japan negotiations and the ACWA protests in the spring of 1970, Mills introduced a bill to impose import quotas on textiles and shoes. For Mills, the change in positions to support import quotas hinted at a play for the same southern and labor base Nixon sought to capture for himself; during his campaign, he would make other shifts, such as supporting revenue sharing between the federal government and states and localities, which he had opposed, and calling for increases in Social Security benefits and indexing them to inflation.
while cutting the tax rates that raise revenue for Social Security. Ultimately, the push for import quotas set off a pitched battle during 1970 over globalization that involved the aspirations of organized labor and multinational corporations. It also attracted the political calculations of a sitting president hoping to secure re-election and a committee chairman who was not afraid to use his power to check presidents.7

A Continuing Downward Spiral: The American Textile Industry

In addition to the overall ominous economic picture for the U.S. economy, shakeouts still continued to affect the U.S. textile industry. In 1969 and 1970, according to the apparel industry’s publication, the Daily News Record, New England lost 40 textile mills in 1969 and 1970, one of the largest waves of closures to affect the northern branch of the industry. Although such closures were not new, they did reflect import competition, for the wave also affected the southern branch of the industry. In southern textiles, at least 50 textile mills closed between 1969 and early 1971. Combined, the closures had eliminated the jobs of more than 100,000 workers in New England and the South. One of the largest

7 Zelizer, Taxing America: 331-337. Zelizer argues that Mills, rather than campaigning from the start, merely relied on the power of suggestion and encouraged speculation that he could defeat Nixon by beating him in several regions, including the South, and by appealing to several constituencies, including business, organized labor, and African Americans. Mills’ 1972 campaign was short-lived, foundering by March 1972. It failed for several reasons, including a lack of strategic planning, his lack of appeal to voters outside of his congressional district, and his alcoholism combined with a growing addiction to prescription drugs. In contrast to his shortcomings as a presidential candidate, Mills enjoyed great power as House Ways and Means chairman, writing tax legislation, recommending tariff levels, and giving House Democrats committee assignments. Mills was also known to hold up presidential requests for programs until he could exact budgetary cuts in exchange, as he famously did with a request for a 10 percent income tax surcharge Lyndon Johnson sought in 1968. Holding the Ways and Means chairmanship from 1958 to 1974, Mills came to gain enough power to rival the Speaker of the House for importance. See Gregg Ramshaw, “Wilbur Mills – the sympathy slowly fades,” Chicago Tribune, December 8, 1974; Joseph A. Califano, Jr., “Balancing the Budget, L.B.J. Style,” The New York Times, December 31, 1995.
closures in New England came in New Bedford, Massachusetts, where in 1965 the TWUA’s William Carignan had been surprised by Warren Buffett’s sudden purchase of Berkshire Hathaway. Four years after Buffett’s takeover, Berkshire Hathaway closed its box loom division in New Bedford, eliminating 1,100 jobs.⁸

Other companies shuttering plants in New England in 1970 included West Point Pepperell, which eliminated 900 jobs in closing a sheeting division in Biddleford, Maine. Meanwhile, J. P. Stevens & Company eliminated 1,608 jobs at plants in Dracut, North Andover, Easthampton, Littleton, and Lowell, Massachusetts; and Tilton and Franklin, New Hampshire.⁹

As the economic insecurities mounted and spread across the nation in the early 1970s, organized labor tried desperately to fight back. The leaders of textile unions were in the vanguard of a group of industrial unions that believed U.S. manufacturing jobs were in danger. To these unionists, the combination of free trade, imports, and laws facilitating the rapid mobility of capital turned American corporations into stateless, multinational enterprises increasingly driven by the profit motive. Following years of petitions and educational campaigns in the late 1960s, textile and apparel unions between 1970 and 1974 joined forces with unions like the USWA, seeking to slow trade liberalization while helping their various industries survive against imports.

On three occasions between 1970 and 1974, a coalition of labor unions and other allies sought such measures in Congress. The first came in 1970, when they backed the Mills Bill, which aimed to impose quotas on certain imports including textiles, over opposition from multinational corporations and supporters of trade

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⁹ Ibid.
liberalization. The second came in 1972 and 1973, as supporters and foes of trade liberalization squared off over a bill by Rep. James Burke and Sen. Vance Hartke which would have rolled back import levels for manufactured goods, including textiles. Finally, textile unions joined much of organized labor in fighting the Trade Act of 1974, a measure supported by the Nixon and Ford administrations that granted the executive branch “fast-track authority” to negotiate multilateral trade agreements. In doing so, the AFL-CIO decisively abandoned its longstanding support of free trade, which had begun to wane by the end of the 1960s. Where in 1969 the AFL-CIO had called for a re-examination of free trade, by 1974 the federation had come to oppose the Trade Act of 1974 – the first time it had opposed a bill to lower trade barriers. Coming at a time of increased public consternation about imports and the erosion of jobs and wages in the United States, the unions won both public support and opposition from supporters of free trade in the federal government and among business organizations.

Organized labor’s push to reevaluate international trade and fight further trade liberalization between 1970 and 1974 showed the degree to which concerns about foreign trade had captured the nation’s imagination as more people were affected. Labor’s failure to transform public awareness about import competition into policies it believed would protect industries from imports, however, also illustrated its political weakness at a time when the importance of manufacturing to the economy was shrinking while services and high finance were becoming more prominent. In a bit of irony, labor’s failure to win protections against imports in the 1970s occurred at the very moment the labor movement was improving economic security for workers through an increased minimum wage, pension protections, and workplace safety regulations.
The actions of textile workers in seeking protectionist measures in the 1960s and 1970s showed they, too, were “at the center of the New Deal compact between capital and labor” as well as “the economic crises and reconstructions of the 1970s and 1980s,” as Judith Stein argues in her description of the U.S. steel industry and its role in civil rights, economic change, and the decline of New Deal political coalition between the 1960s and 1980.10 The “conflict between Cold War and economic goals” evident in reconstructing steel industries abroad and encouraging steel imports to maintain vital and strategic U.S. alliances also played out in the textile industry, if on a less prominent scale.

Similarly, the stagflation of the mid-1970s and the attendant trade deficits that affected the steel industry, as Stein described, had long been evident in the textile industry. The new situation was reflected in the letters of textile workers and other ordinary Americans frantically searching for answers to the sudden changes that marked the end of the United States’ postwar economic expansion.

The protectionist fights of the 1970s show that the New Deal political coalition, which was damaged by the strains of civil rights and Vietnam, was further unraveled by the domestic effects of foreign policy and trade – an observation in line with Stein’s argument that New Deal liberalism died “because Democratic elites did not devise a modernization project compatible with the interests of their working-class base.”11

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11 Stein, Running Steel, Running America: 4-6.
However, many of the sins Stein attributes to late 1970s Democrats in Congress and the administration of President Jimmy Carter\textsuperscript{12} can also be visited on the administrations of Gerald Ford and Richard Nixon. Both Nixon and Ford vowed to fight inflation and promoted a balanced budget; both promoted growth through the lowering of trade barriers, to the chagrin and opposition of most segments of organized labor. For Nixon, however, the promotion of a growing economy was secondary to austerity policies intended to control inflation, as demonstrated by his New Economic Plan of wage and price controls in the early 1970s.

The growing corporate resistance to protectionism outlined in this chapter aligns with sociologist Mark Mizruchi’s observation that business elites since the 1970s have been less concerned with their role in addressing the needs of the larger society and more concerned with the issues of interest to their own firms.\textsuperscript{13}

Between 1970 and 1974, American corporations, many with multinational operations, joined in successfully blocking protectionist legislation sought by unions and allied individuals who were worried about the effects of imports and capital mobility on American industries.\textsuperscript{14} Seen one way, this push can be


\textsuperscript{13} Mark S. Mizruchi, \textit{The Fracturing of the American Corporate Elite} (Cambridge: Harvard University Press, 2013).

\textsuperscript{14} One of the first works to raise public awareness of multinational corporations was Richard J. Barnet’s and Ronald E. Müller’s \textit{Global Reach: The Power of the Multinational Corporations} (New York: Simon & Schuster, 1974), in which the authors traced their rise and described their aims in terms of wielding power, abilities, and durability that could supplant the modern nation-state. Other works on the topic include Geoffrey Jones, \textit{Multinationals and Global Capitalism: From the Nineteenth to the Twenty-First Century} (New York: Oxford University Press, 2005); Panos Mourdoukoutas, \textit{The Global Corporation: The Decolonization of International Business} (Westport, Conn.: Quorum Books, 1999); John J. Reardon, \textit{America and the Multinational Corporation: The History of a Troubled Partnership} (New York: Praeger, 1992); Alex Rubner, \textit{The Might of the Multinationals: The Rise and Fall of the Corporate Legend} (New York: Praeger, 1990); Theodore H.
interpreted as an effort to support the international trade regime that had been in place through the postwar era. More likely, however, its timing places the corporate response to the battle between free trade and protectionism at the point of a shift.

In the “period of turmoil and transition” that marked the 1970s and 1980s, Mizruchi argues, the longstanding willingness of business elites to act as moderate entities willing to engage organized labor on some level (a scenario that applies more to the multinational corporations that were coming to dominate debates on international trade, than to the textile manufacturers who resisted unions) and display some form of leadership and vision on societal problems – although not always from a sense of altruism or civic-mindedness – was in the process of giving way. Over time, as business became more powerful, it was less likely to exercise that power to address community or societal problems, choosing instead to focus on its own needs. The increased power of the business community – as well as the manner in which companies chose to wield that power – would overwhelm the voice of labor, yet another consequence of its weakened state in the decades since the New Deal. In this manner, the near-total control that southern textile manufacturers had won in shutting unions out of their plants offered a prototype for the use of power by American corporations, an example that others would soon replicate. This manner of control also combined with the increasing distance between workers and management caused by globalization and the influence of finance. In the


process, the rise of corporations, especially multinationals, combined with the weakening power of workers’ rights from the 1930s – Taft-Hartley, the weakness of the NLRB, and a business climate that treated fines for labor law violations and court cases over labor rights as the cost of shutting out unions – to transform businesses into global entities that were detached from their local roots and which exercised nearly complete power over their workers.

**The Mills Bill: Labor’s Import Campaign Reaches Capitol Hill**

Fresh off the March 1970 work stoppage that put 200,000 apparel workers into the streets of cities around the country, the leaders of the ACWA felt confident. Textile and apparel unions had the attention of the American public; politicians in Washington, after years of labor protest on imports, were taking up the unions’ mantle and talking of imposing import quotas on textiles and clothing. Now, the House Ways and Means Committee planned action on a bill sponsored by its chairman, Arkansas Democrat Wilbur Mills. The bill would impose import quotas on products including textiles, apparel, and footwear starting January 1, 1971, by holding imports to their levels between 1967 and 1969. The ACWA, heartened by this development, hinted that more action was to come.¹⁶

The stoppage and educational campaign “was from every point of view an outstanding success,” ACWA President Jacob Potofsky and Secretary-Treasurer Frank Rosenblum reported to the ACWA General Executive Board in April 1970. “The work stoppage must be not the end but the beginning of an

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intensified program of activities to obtain the kind of security against imports that we need.” Both Potofsky and Rosenblum promised a legislative campaign for import quotas and continued consumer education campaigns. They also held out the prospect that ACWA members might refuse to cut imported cloth from Japan if no resolution on imports was reached.  

During the course of 1970, ACWA members repeatedly voiced their opposition to imports. Some of the 1,500 delegates attending the 1970 ACWA convention circled the floor with placards reading: “Save Our Jobs,” “Don’t Import Unemployment,” “We Want Wages Not Welfare,” and “Bring Back Our Boys, Not Ready-Made Clothes,” a slogan pairing imports and the Vietnam War. The convention later authorized its members to stop cutting Japanese cloth – a reprise of the threatened 1961 ACWA boycott – if textile import regulation failed. “Our 200,000 members have served notice that if Congress won’t act, we are going to stop cutting Japanese textiles,” said ACWA vice president Murray J. Finley. “If some piece goods get through, we will quit pressing them.” Later that year, the ACWA considered work stoppages or a general strike to block increasing automation in plants where its workers were employed as cutters; eyed a “more vigorous anti-import campaign” aimed at the nation’s leading department stores; and considered a program of political pressure against members of Congress who were reluctant to support the Mills Bill. Finally, as the year concluded, ACWA members picketed a nationwide tour of a Korean garment trade show, throwing up informational pickets from Los Angeles to

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17 Memorandum from Jacob S. Potofsky and Frank Rosenblum, Amalgamated Clothing Workers of America, to members and managers, General Executive Board, April 7, 1970, MSS1, Amalgamated Clothing Workers of America, Local 125 Papers, Box 10, Folder 19 (Executive Board Correspondence, 1970-1972), SCUA-UMass.
New York about low-wage apparel and warning buyers of potential pickets at their stores. The defiance was reflected in a speech by ACWA vice president Sam Nocella, who raised more economic nationalistic sentiments: “Japan today is the second greatest industrial nation in the world,” he said. “Japan has decided to invade the United States clothing industry. Who won the war, us or Japan?”

When hearings began on the Mills Bill (H.R. 16920) in May 1970, the leaders of the ACWA, ILGWU, TWUA, and UTWA were among the labor participants offering testimony of increased import competition and asking Congress for protectionism in the form of import quotas. Although a variety of American industries, such as pottery, steel, and electronics, were facing increasing import competition, Mills – who had introduced the bill with an eye toward a 1972 presidential bid – originally limited the import quotas to textiles, apparel, and footwear. The maneuver served as a direct overture to labor and voters in New England, the Mid-Atlantic, and the South aligned with those particular industries. It also reflected the reluctance of Mills, who had long supported free trade, to swing too far toward protectionist sentiment.

A survey by the ACWA showing imports of all products to be regulated by the Mills Bill climbed between the first half of 1969 and the first half of 1970. Imports of suits and sport coats increased 63.5 percent, from 1.4 million in the first half of 1969 to 2.4 million in the first six months of 1970. Imports of trousers increased 5.9 percent overall, but the increase was more pronounced for wool trousers (57.8 percent) and synthetic fabrics (23.29 percent). Shirts imports

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increased 42.2 percent during the first half of 1970, the ACWA found, adding that imports displaced as many as 250,000 domestic textile and apparel workers.\textsuperscript{19}

One of the more impassioned witnesses to testify before the committee was the UTWA’s George Baldanzi, who supported the Mills Bill “because the current trade crisis calls for a fundamental overhaul of United States trade policy.”\textsuperscript{20} In his testimony, Baldanzi described ways in which, he argued, U.S. trade policy and import competition were harming people the world over by “escalating economic blight at home and abroad.” He argued that global competition undercut American workers’ wages and threatened their jobs, while simultaneously allowing the creation of jobs in nations where workers lacked the same protections as their American counterparts.

In the case of textile workers, trade policy was striking at some of the nation’s most vulnerable manufacturing workers. Citing statistics from the U.S. Department of Labor, Baldanzi pointed out that textile workers earned $97.69 per week on average, below the average $132.40 weekly wage for a manufacturing worker and less than half the $196 weekly wage the department estimated was necessary to maintain an adequate standard of living for a family of four in urban areas. “We cannot hide the grim fact that textile workers are in an intolerable situation,” Baldanzi said, adding that import controls could give textile workers an opportunity to achieve job security and standards of living


comparable to many of their counterparts in manufacturing.\textsuperscript{21} He warned further that corporate leaders like IBM’s Arthur K. Watson were all too willing to believe that increasing numbers of Americans with more than a high-school education justified eliminating entire manufacturing sectors:

In simple down-to-earth language he suggests that all labor-intensive industries, such as textiles, garments and shoes, should be phased out in this country. He would solve the problem of the consumer goods industries by liquidating them on the broken bough of a questionable foreign policy. ...We do not accept this kind of economic thinking that many jobs should be farmed out to the low-wage areas around the world. The price that this nation is paying now, and will have to pay in the future with this kind of approach, is not hard to envision.”\textsuperscript{22}

Baldanzi testified along with the ACWA’s Potofsky, Pollock, the TWUA president, and Lazare Teper, who represented the ILGWU’s Louis Stulberg in supporting the Mills Bill, which would also give the federal government the power to regulate imports of textile and apparel manufactured by low-wage workers.\textsuperscript{23}

While Baldanzi focused on the human cost of free trade in vulnerable industries like textiles, Potofsky, Pollock, and Teper made statistical cases to bolster their respective arguments. Potofsky argued that the textile and garment industry’s survival was at stake because “we cannot compete with wages of eight

\begin{itemize}
  \item \textsuperscript{22} Ibid. In citing Watson, Baldanzi was referring to Watson’s testimony before the Joint Economic Committee in December 1969.
  \item \textsuperscript{23} “Textile and Apparel Union Leaders Ask Congress for Import Quotas,” \textit{The Textile Challenger}, June 1970: 1.
\end{itemize}
cents an hour in South Korea or even 37 cents an hour in Japan.” The ACWA, while committed to international trade, supported the Mills Bill “because we think it will help the cause of international trade – orderly trade, without inequities or harmful effects on any of the countries involved.”

Stulberg noted in a letter to The New York Times that apparel imports had increased dramatically, from 4 percent of total U.S. apparel production in 1956 to 22 percent by 1969. Despite the STA and LTA negotiated in the Kennedy administration, cotton textile imports were 65 percent higher in 1969 than in 1962; imports of garments of all kinds – cotton, wool, and synthetic fibers – had more than tripled in that period. Imports as a percentage of total domestic production by product ranged from 11 percent of playsuits to 72 percent of sweaters. “These figures reflect the invasion we have had to face up to now, but they are only a prologue of things to come unless this flood is dammed,” he wrote.

Pollock asked committee members to keep in mind that “what we are talking about here are 2½ million Americans” whose livelihood depended on the vitality of the textile and apparel industries. In 1969, he told the committee, 32 mills were closed, eliminating more than 8,000 jobs, and in the first four months of 1970, he cited imports as the chief factor in another nine plant closures that eliminated 1,500 jobs.

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Andrew Biemiller, the AFL-CIO legislative director, added testimony bolstering the viewpoint of the textile unions. Biemiller asked members to consider “common-sense” foreign trade and investment policies to encourage expansion of U.S. trade that reflected “the interest of the American people.” He called economic policies that made sense in the 1930s and 1940s “utterly unrealistic” in the 1970s, and added that such policies eroded the United States’ economic position while exporting U.S. jobs.27

Biemiller restated the federation’s recent reevaluation of trade liberalization in his testimony. “We are not isolationists and have no intention of becoming isolationists,” he told the committee. Yet new developments in international trade had rendered traditional concepts of free trade and protectionism “outdated and increasingly irrelevant.” Such changes included government-managed trading partners that restricted U.S. exports; dramatic growth of U.S. firms investing capital in foreign subsidiaries; and corresponding rapid growth of U.S.-based multinational corporations.28

Biemiller’s testimony suggested the AFL-CIO, while sharing the concerns of its member unions troubled by imports, was still not ready to embrace the mantle of protectionism or fully abandon the benefits of trade liberalization. Rather, his comments indicated a need for trade officials and lawmakers to strike a balance on trade policy that preserved its benefits for companies and workers who gained from trade. At the same time, he encouraged trade officials and

27 “Textile and Apparel Union Leaders Ask Congress for Import Quotas.”

28 Ibid.
lawmakers to find some way to help industries that were affected by import competition, like textiles and apparel.

Others voiced their concerns about the state of the textile industry and the need for import protections. On May 20, South Carolina’s lieutenant governor, John C. West, told the House Ways and Means Committee that two thirds of the state’s industry was centered on textiles despite a push to diversify its industry in the previous decade. He said that import levels in 1969 reached 3.6 billion square yards equivalent, a 10 percent increase over 1968 and more than twice the volume of imports in 1964. And over a 13-month period ending in February 1970, 2,400 textile workers in the state lost their jobs. “The layoffs added to the racial problem, he added, because black workers were hit the hardest,” a reporter wrote. West also accused the Nixon administration of taking a “do-nothing stance” amid increasing imports of textiles.29

ATMI president Donald F. McCullough told the committee that the textile import volume of 1969 “represented the displacement of well over a quarter of a million American textile and apparel jobs.” He did not believe Japan would retaliate on U.S.-imposed import curbs by reducing its purchase of raw materials. “It is high time to end the present insanity of exposing the American home market to indefinite, no-end-in-sight increases in textile and apparel imports from countries that have no obligation to feel any legal or moral responsibility toward American employees, consumers or communities,” he said.30

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30 Ibid.
A New Force Emerges: Multinationals and the Fight Over the Mills Bill

Labor unions in the textile and apparel industry may have felt they had a good chance to get the Mills Bill enacted. But they would encounter strong opposition from a new alliance of U.S.-based companies with operations in other countries. Multinational corporations, as these enterprises were called, wanted no laws that could restrict international trade because it could potentially jeopardize their operations in other nations.

Multinational corporations and the U.S. Chamber of Commerce opposed the Mills Bill; the chamber warned that “serious retaliation … will be swiftly invoked by foreign governments if Congress enacts import quotas.” Opponents also claimed the bill gave the president too much discretionary power to set quotas. They further asserted the bill would lead to artificial trade barriers, encourage foreign nations to retaliate against the United States; boost inflation by limiting cheap imports; and ultimately reduce product supplies.31

The heart of the opposition to the Mills Bill came from a coalition of dozens of multinational firms. The group, named the Emergency Committee for American Trade (ECAT), was founded in late 1967. Its founding occurred as Congress, facing rising concerns about imports in numerous sectors, defied the Johnson administration and considered bills to impose import quotas on a number of goods, including textiles. ECAT devoted itself to fighting for

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continuation of trade liberalization and opposed import quotas like those the
textile industry was seeking.\textsuperscript{32}

The group counted business executives of some of the nation’s largest
manufacturers, banks, and merchandise companies, including Watson of IBM,
David Rockefeller of Chase Manhattan Bank, Robert C. Kirkwood of F.W.
Woolworth Co., and Henry Ford II, the chairman of Ford Motor Company. In the
late 1960s, the group published pamphlets opposing import quotas and, on one
occasion, urged the European Economic Community to hasten its proposal to
lower tariffs. As part of its opposition to the Mills Bill, ECAT sent a delegation to
Japan to urge continued trade liberalization and observed archly that its
members’ corporations had operations in 22 districts of members of the House
Ways and Means Committee. With its organization, range of executives across a
variety of industries, and global reach, ECAT would have an advantage over
their organized labor rivals in conveying their opposition to import quotas.\textsuperscript{33}

An ECAT official saw in the Mills Bill an overzealous effort at
protectionism by Congress. “The House has gone far beyond what President
Nixon asked for, which was protection for the textile industry, a campaign
pledge he made in the South in 1968,” this official said in the summer of 1970.
The bill’s provisions could be extended to other industries, such as steel,
automobiles, dairy, meat, and electronics. “And this is an election year;” the


ECAT official said. “By the time the lobbyists get through and the Senate acts on this bill it’s going to look like a Christmas tree.” Sen. Jacob Javits, a liberal New York Republican, called the Mills Bill a quota bill that would undo trade policies “that have served us well since the end of World War II.”

Other critics argued that Nixon needed to get the United States back to the negotiating table with the Japanese and not rely on the Mills Bill. “Japan’s aggressive marketing of textiles in the United States is in part responsible for the strong protectionist sentiment on Capitol Hill, and Mr. Nixon himself is not without culpability,” the St. Louis Post-Dispatch editorialized. When negotiations failed to get Japan to voluntarily reduce its textile exports to the United States,

“Mr. Nixon called on Congress to act. Congress did, with a vengeance. …Chairman Wilbur Mills of the House Ways & Means Committee changed from free-trader to protectionist, opening the way to other Congressmen. Strange bedfellows as Senator [Strom] Thurmond of South Carolina and president Jacob Potofsky of the Amalgamated Clothing Workers endorse the bill.”

The newspaper urged Nixon and Sato to resume trade negotiations that, if successful, would head off the Mills Bill. It warned of “a disastrous commercial war, impinging on diplomatic relations” if the Mills Bill became law and added, “The U.S. is strong enough to take on temporary dislocations, if necessary, in behalf of orderly world trade.”

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36 Ibid.
The Textile Challenger quoted The New York Times in reporting opposition from Europe to the trade bill marked “the most intensive international lobbying seen in years against a piece of domestic legislation,” while additional pressure came from Latin America and Japan, as well as other nations in the Far East.37 The Textile Challenger, quoting Congressional Quarterly, painted a portrait of Congress that resembled an international bazaar on trade issues, as foreign agents joined officials and leaders from other nations in bypassing domestic channels, seeking to directly influence Congress and the White House in the formulation of American trade policy: “Foreign officials and trade spokesmen have not hesitated to speak or act in attempts to sway Congress and the President. Their American agents – some of them working for U.S. export-import interests – vied with lobbyists of American pressure groups for the attention of Senators and Representatives.”38

With banks, manufacturers interested in exporting, and multinational corporations in its ranks, ECAT came to be heavily involved in the campaign to defeat the trade bill. Its spokesman, Ellison L. Hazard, the president of Continental Can, admitted in a 1970 speech that he was not opposed to moving U.S. jobs overseas. “Company after company has found it desirable to export its knowledge and skills to a local base of operation, instead of shipping products over long distances,” he was quoted as saying.39

One Washington law firm representing Japanese trade interests disclosed it received the bulk of its financing from the Japanese government. Nelson A.

37 “Premier Sato And The Trade Bill.”
38 Ibid.
Stitt, an attorney representing the United States-Japan Trade Council, told members of the House Ways and Means Committee that he suspected many witnesses were “substantially financed from abroad” but had not disclosed their activities to the Justice Department as required.40

While the House Ways and Means Committee took testimony on and marked up the Mills Bill in the summer of 1970, it did add to the bill import quotas on textiles, apparel, and shoes at the behest of labor leaders like Baldanzi, Potofsky, Stulberg, and Pollock, reflecting their success in convincing congressional leaders and the general public of the need for some form of import protection. The import quotas in the Mills Bill contrasted with negotiations between the Nixon administration and the Japanese government for voluntary import restrictions on textiles. As those talks broke down, Nixon called for legislation limiting imports from low-wage nations.

At a meeting of the Ways and Means Committee in June 1970, Stans told Mills the administration supported the Mills Bill, after negotiations with Japan’s MITI collapsed following just three days of talks in Washington. “The need for a solution to the textile import problem is clearly apparent,” Stans said. “In the absence of agreements with Japan and with other key exporting countries, it is our reluctant judgment that the only means presently available for solving this problem is the textile legislation now before this committee.”41

With momentum appearing to consolidate behind the bill, The Textile Challenger urged its readers and UTWA members to “keep those messages

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rolling to Washington in support of the Mills Trade Bill on textiles. Textile Workers, this year, for the first time have the chance for legislation to protect their jobs against low-wage imports.”

Meanwhile, the AFL-CIO began sharing the fruits of its “opposition research” into corporations that opposed import quotas “on the pretense they want to strengthen U.S. firms in world trade.” The federation identified ECAT as opposing the Mills Bill out of self-interest for its foreign operations, not any altruistic interest in protecting American workers. The ECAT ran a full-page ad in *The Washington Post* in mid-1970 under the headline “Congress: Please Don’t Declare a World Trade War” and in which, according to the AFL-CIO, the signatories “posed as looking out for ‘foreign markets for American business’. ”

The ECAT ad drew a response from Biemiller, the AFL-CIO legislative director, who pointed out the need to alert Congress to the connections between ECAT’s members and their overseas interests. Of the 51 signatories in the ad, he said, 32 had ownership in Japanese firms, “many producing the same goods abroad they once produced in the U.S.” Overall, the companies had foreign affiliates in 108 nations and showed financial involvement with companies extending to Mexico, Taiwan, Hong Kong, Korea and other nations. The companies, Biemiller said, “are not American firms in the textbook sense” and were no different from other U.S. corporations “which ship foreign-made

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products often made at pitifully low wages into the U.S. to compete with U.S.-
made goods at the same or slightly lower prices.”44

Biemiller argued that signatory companies in the ad also hid their
identities by not listing their foreign subsidiaries. “Wouldn’t it be fairer to the
reader and to Congress, for example, if Xerox had identified itself as Caterpillar-
Mitsubishi, Ltd.? Wouldn’t it have been fairer if Singer Sewing Machine had
identified its affiliation with Pine Sewing Machine Co. of Japan and its full
ownships of Matsumoto Mokko, Ltd. of Japan?” Companies that used their full
disclosures, Biemiller argued, would make it clear that “American companies in
ECAT seek more investment abroad and thus more goods to be shipped into the
U.S.” In the process, they would promote not foreign trade, but internal
corporate transfers that cost “American citizens who lose their jobs in machinery,
electronic plants, sewing machine plants and many more industries. Eventually,
the loss is the entire American standard of living.”45

Multinational corporations’ opposition to the Mills Bill failed to kill it in
committee. Emerging from the Ways and Means Committee on August 13, 1970,
on a 17-7 vote, the bill won the support of Commerce Secretary Maurice Stans,
who called it “a remarkable piece of work.” Stans rejected charges that the bill
would provoke an international trade war, calling the argument “a lot of
nonsense.” He added that if the bill were enacted, it would be “inconceivable”

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45 Ibid.
that Japan and other exporters of textiles and apparel wouldn’t set voluntary quota levels through negotiations.\textsuperscript{46}

Paul W. McCracken, the chairman of Nixon’s Council of Economic Advisers, said the administration came to support the Mills Bill after trying and failing to negotiate voluntary restrictions on Japanese textile exports. “At that point, the administration indicated its support of authority for mandatory quotas in some kind of legislation,” he said.\textsuperscript{47}

Committee opposition to the bill, meanwhile, came from a handful of junior members from both parties, including Republican Jerry L. Pettis of California and Democrats Sam Gibbons of Florida, William J. Green of Pennsylvania, and James C. Corman of California. The opponents, breaking committee protocol that encouraged deference to Mills – or at least encouraged members to express dissent only behind closed doors – denounced the bill as “restrictive, ill-timed and provincial” as well as “a backward step for America and the world.”\textsuperscript{48} The opposition’s outrage paired with muted enthusiasm from bill supporters, reflecting an ambivalence even supporters felt about its provisions, which now included mandatory quotas on all textiles and shoes.

While the ECAT and corporate opposition failed to keep the Mills Bill in committee, the opposition did succeed in delaying congressional action on the bill until after the 1970 midterm elections. The House Ways and Means Committee had approved the bill with plans to send it to the House floor in September. Yet the bill bogged down in the House Rules Committee despite

\textsuperscript{46} “Sec. Stans praises apparel quota bill,” \textit{The Advance}, September 15, 1970.

\textsuperscript{47} Ibid.

lobbying from the UTWA and other textile unions. The Rules Committee relented only after House leadership agreed to take up the bill after the election.\footnote{“Import Bill Vote After Election,” \textit{The Textile Challenger}, October 1970: 1.}

Despite the broad support for the Mills Bill, labor sought to secure members’ support before the election, because of the unpredictable nature of post-election sessions of Congress, when members were less likely to follow their constituents’ wishes as they did not have to face re-election for another two years. “I am asking each UTW member to seek out his Congressman and Senator before the election,” Baldanzi said. “We want our members to get a definitive statement from all candidates for the House and Senate on where they stand on the legislation prior to the election,” adding that only if a candidate is absolutely clear on supporting the Mills Bill “can we offer him our full support.”\footnote{Ibid.}

The delay did come with some moves that encouraged Mills Bill supporters: The Rules Committee, in reporting the bill, disallowed amendments on the House floor, in keeping with a tradition that trade and tax legislation from the Ways and Means Committee be voted up or down on the House floor without amendment. And Democratic Sen. Ernest F. Hollings of South Carolina, well attuned to the textile industry in his state, announced he would seek to attach the Mills Bill as an amendment to another bill in the Senate to commit that chamber to early action while the bill awaited House action.\footnote{Ibid.}
“The Job You Save May Be Your Own”: Workers Sound Off on Imports

While members of Congress debated the arcana of imports and trade policy in the fall of 1970, their constituents were also supplying evidence of the toll imports were taking on their lives as workers and consumers – among them closed factories and fewer domestic goods to purchase.

One worker, Evelyn Erickson, of Farmington, New Hampshire, worried in a letter to one of her senators, Thomas J. McIntyre, whether her factory would remain open and whether she would be forced out of her home at the age of 63. “If our President doesn’t realize by now that shoe workers need help with letters and a march on Washington and all that has been done to persuade him then we may soon be out of business for good,” Erickson wrote. The Democratic senator entered the letter into the Congressional Record to offer a view of imports affecting jobs and consumer choices:

We had business for years even when other shops slacked or closed, but then some other shops making the fancier shoe had so much competition from foreign countries they began to change over and make shoes like ours. Last spring our Mr. Katz filed for bankruptcy. ...We have been terribly hurt this summer by the imports. We used to have all we could handle all summer long. Not so this year. I’m worried over the flood of imports of all kinds into our country. The stores are full and it’s difficult to find American-made goods. By the lack of our homemade things and in spite of your determination not to buy them, you find people who didn’t want to but couldn’t find American goods. To my way of thinking we are going to be hit hard later on. All we hear is talk of unemployment. When asked if shoe imports were responsible they hedged and admitted the
imports do have something to do with it. Why do they hedge about it? You and I know my job has been seriously affected by these imports. The stores are full of them. ...I feel very upset about it all. In watching President Nixon, he impresses me as being wrongly informed about imports. I’d like to see him to come up here and let our people take him on a tour of towns with many shops closed and people out of work. I’d like him to see the volume of imports in the shopping centers. I appreciate the efforts of Senators and all who have tried to put through a bill to control the imports. I know we need trade but I hate to give up my job for them to prosper and we know Japan is prospering at our expense. It would seem the President is more anxious to protect them than to help us Americans.\(^{52}\)

As union officials called for an end to the trade practices that undermined domestic jobs, imports continued to take their toll on domestic textile plants. In Childersburg, Alabama, a Beaunit rayon plant closed in August 1971, throwing another 1,000 workers out of work at the plant, which opened in 1950. The company blamed imports and lower demand for its products; the plant, meanwhile, had operated in the red for six years. The closure came six months after Beaunit closed its Bemberg division in Elizabethton, Tennessee, rendering 500 workers jobless. “If we had been able to pass a reasonable bill in the last Congress setting low-wage import quotas, as urged by organized labor, these jobs could well have been saved,” Baldanzi said in response to the news.\(^{53}\)

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Members of the UTWA’s Midwestern Council, concerned about the threats posed by imports, printed up and distributed 15-inch bumper stickers, printed in black, yellow, and white, to its unions with the phrase “Buy American – The Job You Save…May Be Your Own.” The council also began collecting signatures on a petition to Congress asking for quotas on imports in industries where imports were “adversely affecting the job security of the workers in those industries.”

Other UTWA members began to fly the American flag at half-mast at plants shutting down as a result of import competition. And ACWA members continued to hold protest marches in cities across the country to warn consumers against buying imported goods.

The unions’ activism in fighting for import controls was not enough to assure the Mills Bill would survive the congressional session following the 1970 midterm elections. The measure did pass the House, 215-165, but was snared in a series of filibusters in the Senate, along with welfare legislation Nixon sought to fund his Family Assistance Plan (a proposal developed by neoliberal economist Milton Friedman to abolish welfare while offering a guaranteed family income) and a bill to develop a supersonic transport aircraft.

The Mills Bill faced a filibuster from senators Walter Mondale, a Minnesota Democrat, and Javits. In an attempt to avoid a floor defeat, Russell Long, a Louisiana Democrat who chaired the Senate Finance Committee, added the Mills Bill and the Family Assistance Plan to a politically popular bill increasing Social Security benefits. That maneuver backfired when Mills rejected


the package, telling both Senate leadership and the White House he would only consider individual bills, even though his committee had already passed each of the three measures Long had tied together. Beyond Mills, however, Long faced a floor revolt from the Senate’s moderate and liberal wings. Senators such as Mike Mansfield, a Montana Democrat who served as majority leader, had grown tired of the ways in which Senate committees such as Long’s had wielded power, especially by attaching controversial bills to more popular measures in order to move them through the chamber. Long dropped the Mills Bill, and the Senate did not act on it before Congress adjourned for the year.  

Opportunity Lost: The Mills Bill and Presidential Politics

Mills vowed to take action on a new trade bill in early 1971, after the 92nd Congress addressed bills to increase Social Security and welfare benefits. The Nixon administration had also pledged its support. Unions like the UTWA, sensing victory at hand in their push for import quota legislation, marshaled their members once more. Baldanzi acknowledged “powerful international forces” working against labor but added, “We have many friends in Congress who are genuinely concerned about the fate of the textile industry.”

The economic landscape in early 1971 seemed to indicate favorable conditions for the trade bill. Economic data for 1970 reflected a deteriorating U.S. economy: the nation’s gross national product showed its first decline in 12 years;

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57 “Multinational Firms Help Kill Trade Bill; New Drive Opens.”
unemployment reached 6 percent in December 1970, and was followed in early 1971 by large increases in initial unemployment claims. Policymakers discussed whether Nixon would stimulate the economy by lowering interest rates or through deficit spending.\textsuperscript{58}

Against this steadily worsening economic picture in early 1971, events would soon overshadow labor’s quest for textile quotas. Mills reintroduced a version of his trade bill, but kept it out of the Ways and Means Committee. In a bit of intrigue, Mills also enlisted an intermediary to enter into backchannel negotiations with the Japanese to accept voluntary export restrictions. In early March, the Japanese Textile Federation agreed to a three-year limit on textile imports, holding the growth in textile exports to 5 percent in the first year and 6 percent each of the following two years. The ATMI rejected the deal, which was less restrictive than a proposed import restriction deal that collapsed in December 1970. So did Nixon, who initially hoped the industry would accept the deal and had been advised by his aides to do the same. But Nixon backed away when Strom Thurmond, still hoping for the administration to take action against imports for the sake of his state’s textile industry, vilified the deal as “totally inadequate”; Nixon further criticized Mills for meddling in foreign policy with his stealth attempt to reach a deal.\textsuperscript{59}


\textsuperscript{59} Matusow, \textit{Nixon’s Economy}: 139-141; Destler et al., \textit{The Textile Wrangle}: 251-266; 283-285; Walter LaFeber, \textit{The Clash: A History of U.S.-Japan Relations} (New York: W. W. Norton & Company, 1997): 351. The deal of December 1970 collapsed in the final stage of negotiations as Congress took up the Mills Bill. At the time the December 1970 deal collapsed, American and Japanese negotiators were considering proposals to limit Japanese textile export growth to 3 percent in the first year and between 5 percent and 7 percent each of the final two years. Negotiators were also between setting October 1970 and December 1970 as the end date of the base year for calculating export levels when talks collapsed. See Destler et al., \textit{The Textile Wrangle}: 236-250.
Mills, chastened by the rejections by both the White House and the textile industry, then pulled his quota bill from consideration. The move allowed Mills to return to his original position that he would support import quota legislation in the absence of a voluntary agreement. Now, he blamed the textile industry for willingly rejecting a voluntary agreement: “Those greedy bastards … will not get any quota legislation passed until a voluntary agreement is given a fair chance,” he told Nixon aide Pete G. Peterson the same day the president rejected the agreement. Nixon, freed of the obligation to fight import quotas in other industries as he had in the Mills Bill a year before, then tried and failed to strike similar voluntary export agreements on textiles with Korea, Taiwan, and Hong Kong.60

The arguments between Nixon and Mills on import quotas, with presidential politics hanging in the balance for 1972, thwarted the momentum of unions who sought import limits on textiles and other goods. It also cut into a drive that seemed to have enough support to push the Mills Bill through Congress despite opposition from Nixon, who only wanted import quotas in the “special case” of textiles, and from multinational corporations, who saw import quotas as a threat to both their business model and the trade liberalization regime upon which it rested.

Baldanzi criticized the rejected proposal because it would have used 1970 as the baseline for import restrictions over the three-year period. The 1970 baseline, he said, “provides absolutely no real security for the American textile

60 Mills quote from Matusow, Nixon’s Economy: 141.
worker or the textile industry.” A 1970 baseline for import restrictions would have let Japanese imports increase by 40 percent over the three-year period.61

The proposal also came in for harsh criticism from AFL-CIO President George Meany, who called it “altogether unsatisfactory.” Meany also vowed the federation would seek import quotas for textiles and apparel and “any products in which there is a loss of American jobs due to market disruption or the activities of American multinational corporations.”62

Nixon, organized labor, and the textile industry were not the only entities to reject the backchannel Japanese deal that Mills had brokered. The House Textile Committee, an informal bipartisan caucus of between 150 and 190 southern representatives with textile interests in their districts, also opposed the Mills deal. The caucus, chaired by Rep. Phil Landrum, a Georgia Democrat, agreed to continue seeking import quota legislation. Continuing to demonstrate his support for economic policies that served political means, Nixon denounced Mills’ backchannel proposal and called for a bill to impose import quotas on textiles.63 As Mills’ declaration showed, however, the president’s gestures were all in vain. No import quota bill would move through Ways and Means in 1971.

With the threat of another import quota bill from Congress now past, Nixon also resumed his drive to limit textile imports, which the administration


62 Ibid.

had planned to do before its decision in August to impose wage and price controls via its New Economic Plan (NEP). In October, Nixon threatened to impose unilateral quotas on Japanese textile imports, using language from his NEP import surcharge that declared a national emergency and called for public and private efforts “to strengthen the international economic position of the United States.”

Japan capitulated by October 15, and Hong Kong, Taiwan, and South Korea all agreed to similar import quotas limiting growth to 5 percent per year for synthetic fabrics and 1 percent per year for wool. The import growth levels were based on an import level of 900 million square yards for synthetic fabrics and 50 million square yards for wool.

At first glance, Nixon had appeared to win the economic battle with Japan while keeping his political quest for a New Majority intact. For the past 25 years in matters of trade, “the United States has not bargained hard for a better position in world trade, the goddamn State Department hasn’t done the job,” Nixon charged. “We’re changing the rules of the game.” The deal would secure some labor support by imposing quotas that would protect American jobs. In addition, it would attract the financial and political support of textile executives who might otherwise support Wilbur Mills or even George Wallace (who ran as

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a Democrat in 1972); by April 1972, when a campaign finance disclosure law took effect, textile executives, mostly from the South, had given about $430,000 to Nixon’s reelection campaign. Furthermore, the import quota deal would likely hearten southern voters who would also appreciate Nixon’s refusal to back school busing for racial balance or his attempt to place a southerner on the Supreme Court. Yet in some quarters, textile executives wondered whether the deal was too late in coming, or had too many concessions attached, to help the domestic industry. The end of the 10 percent import surcharge imposed by the NEP wiped out any price advantage American textiles had over imports. The delay in reaching a deal to limit woolen and synthetic textiles imports also had a negative effect for supporters of protective efforts for the industry. The delay allowed for continued growth in exports to the United States, producing a greater baseline from which import restrictions would be calculated.66

The result was a temporary, partial victory for organized labor, once again illustrating its weakness in influencing the trade debate amid opposition from multinationals and the presidential aspirations of Richard Nixon and Wilbur Mills. Textile and apparel unions would need a new approach if they were to challenge the system of international trade. They found one in the existence and growing influence of “multinational corporations” that often maintained headquarters in the United States, yet increasingly moved manufacturing and production to other nations. Multinationals were also shaping up to be a

prominent foe of import limits and of labor and other critics of trade liberalization, as well as the catalyst of a new economy beyond manufacturing – a new economy that elites were quick to embrace.

**Beyond Import Quotas: Labor Targets Multinational Corporations**

In July 1971, the AFL-CIO held a conference on jobs in Washington at which workers and unions voiced even stronger opposition to imports and their intention to fight import competition. In the run-up to the conference, Baldanzi expressed a need for international cooperation among unions in industrialized nations to counter the actions of multinational corporations. In an address to the New Jersey AFL-CIO convention at Atlantic City, Baldanzi argued that U.S. corporations had invested about $60 billion in overseas operations, with $16 billion of that amount coming in 1970 alone. “This would be applauded if it were done in such a manner that the corporations wouldn’t be the sole beneficiaries,” Baldanzi said. “However, there is no case on record where they have attempted to raise the standards of the people who work for them. They joined with the native capitalists in the exploitation of their workers and they bring the product back to sell it to the American market at American prices – and destroy our jobs in the process.”

Baldanzi argued that the fight against exploitation needed to be waged on an international basis and by an alliance of unions, not just those in the textile, apparel, and shoe industries, as industrial unions were all losing jobs to foreign imports. Such an alliance, he said, was important to “protect one another against

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being whiplashed by a corporation that may close its production facilities in one country and concentrate them in another country to defeat the unions’ program and to exploit defenseless workers all over the world.”

Baldanzi warned that inactivity to “protect American workers against loss of jobs resulting from the exploitation of people in foreign countries” by producing goods abroad cheaply, then importing them to sell at U.S. prices – would turn trade and jobs into a highly volatile domestic issue. “I do not believe that the American trade union movement, or the majority of the American people, will sit idly by if conduct of American corporations and the American government is such that several million workers will lose their jobs with the resulting social implications,” he said. Citing estimates from the Bureau of Labor Statistics that 700,000 Americans lost their jobs to low-wage imports in the 1960s, Baldanzi said political leaders would be naïve in expecting domestic textile industries to compete with workers earning as low as 12 cents an hour in places like Taiwan.

Baldanzi attempted to link trade with international foreign development by establishing quotas on any products endangering any domestic industry, whether they came from foreign plants or subsidiaries of U.S. corporations. Furthermore, the federal government should support improvements in the living standards of foreign workers. It was hypocritical to assist the poor in developing nations while allowing U.S. corporations to simultaneously locate plants abroad

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68 “Baldanzi Urges World Union Plan To Stop Corporate Exploitation.”

69 Ibid.
that exploited the poor further through “substandard wages that are a disgrace to any civilized society,” he said.\(^\text{70}\)

At the special jobs conference in July 1971, labor mustered its most united voice to date in challenging imports, which were blamed for the loss of 500,000 jobs in the three years preceding the conference. I.W. Abel, president of the United Steelworkers, told attendees that members of organized labor “have been witness to how a rising tide of imports has washed thousands and thousands of jobs down the drain. Almost no part of the American work force has escaped the effects,” he said. “We simply cannot continue to export American jobs and American expertise and maintain our living standards under the rules of the game of international trade as they are played today. It’s as simple and as frightening as that.”\(^\text{71}\)

Unions across different manufacturing sectors – steel, electronics, shoes, rubber, pottery, and so on – joined to discuss trade problems caused by imports and the value of taking on the fight. Members stressed the need for organized labor to unite behind the Mills Bill, which still awaited its introduction in 1971 after dying at the end of the 1970 session. Biemiller told the conference that Mills would hold hearings on the trade bill, following committee hearings on legislation to introduce national health insurance.\(^\text{72}\)

IUE President Paul Jennings, who presided over the three-day conference, told members of the importance of following the nine-point trade and

\(^\text{70}\) “Baldanzi Urges World Union Plan To Stop Corporate Exploitation.”


investment program, adopted the previous year. The program called for new measures that would, among other goals, stem the export of U.S. jobs, remove incentives to build factories abroad, supervise flows of U.S. capital, and impose international labor standards, fair labeling, and trade laws.\textsuperscript{73}

Also in attendance at the conference were two members of Congress – Rep. Jackson E. Betts, an Ohio Republican, and Rep. James A. Burke, a Massachusetts Democrat. Both urged action to reduce imports. “Every other country in the world is protecting jobs of its workers except the U.S.,” Betts said.\textsuperscript{74}

Potofsky brought a note of defiance that offset the gloom expressed by other union officials and members. He pointed out that the textile industry was not the only industry suffering from imports from nations with low wage levels, sometimes as low as 9 cents an hour. “We cannot compete with 9 cents an hour – and we don’t want to try to compete,” Potofsky said. “It took us years to overcome sweatshop conditions in this country, and we don’t intend to allow the sweatshop to return on the back of low-wage workers.”\textsuperscript{75}

Though import problems had existed for years in the textile industry, AFL-CIO President George Meany accused the Nixon administration of worsening the national economy, with five million workers unemployed, hundreds of thousands more having exhausted their unemployment benefits, and continued sharp increases in the cost of living. “The state of the economy is

\textsuperscript{73} “All Labor Joins UTW Campaign For Curb On Low-Wage Imports,” 1; “AFL-CIO Trade Plan,” 1.

\textsuperscript{74} “All Labor Joins UTW Campaign For Curb On Low-Wage Imports”; 1.

\textsuperscript{75} Ibid.
just plain lousy,” Meany said. “We are here because we are just plain fed up. We are here because we are concerned about jobs and about the shortage of jobs, about the various ways jobs are being made to disappear.” Meany argued the nation’s employment problem would only worsen without corrective efforts. He estimated the U.S. economy needed at least two million new jobs annually to keep unemployment rates steady, with another 2.5 million to 3 million jobs a year needed to reduce unemployment – “more than were created in any year in the 1960s.”

Meany may have been late to realize the need to support the push by unions in textiles and other import sensitive industries to reevaluate trade liberalization. However, his observations on the United States’ economic position in the 1960s and 1970s hint at a deep understanding of the challenges facing the U.S. economy as its post-World War II economic boom concluded. In counterpoint to his newer and more socially liberal counterparts in the labor movement, Meany’s economic sense meant he was calling for solutions to problems caused by increased automation and industrial decline long before those ideas entered the mainstream. His support for expansionary economic policies, and his wariness of multinational corporations, were as far-reaching and forward-thinking as his dismissive view of organizing unorganized workers, his staunch anticommunism, or his worldview on racial and gender equity in the labor movement marked him as an anachronistic, retrograde leader. His finely tuned understanding of where the United States was headed economically at this particular moment, and the depth of his knowledge about the challenges facing

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the nation and the role that labor could play in addressing them, sharply contrasts with his shortcomings in other areas.

A Historic and Worsening Balance of Trade: The Search for Answers

In February 1971, Commerce Secretary Maurice Stans testified to the Joint Economic Committee that the previous year produced some improvements in foreign trade, even though the overall $2.7 billion surplus for 1970 was lower than surpluses in any year in the past decade before 1968. Increases in imports between 1968 and 1970, he said, reflected “structural shifts” in U.S. trade patterns more than problems relating to inflation. He also warned that the outlook for foreign trade in 1971 was “not very encouraging”: U.S. exports would grow at between 10 and 12 percent, lower than the 14 percent growth rate in 1970, while U.S. imports would grow at 12 to 14 percent, compared to 11 percent in 1970. He predicted the nation’s trade surplus would end the year at roughly $2 billion (the actual figure was $2.7 billion). “This administration is committed to the principles of freer trade, but the extent to which the United States can continue to adhere to these principles depends in large part on whether our trading partners pursue outward-looking policies and play a more positive role in seeking ways and means of reducing their trade barriers,” he said.77

Members of the Joint Economic Committee agreed on an expansion of U.S. trade, but also felt that temporary import restrictions were sometimes necessary, as long as any restrictions imposed were done through the Tariff Commission

and not through legislation – a direct criticism of the Mills Bill that had failed to pass Congress only months before. The committee also supported offering trade adjustment assistance to workers and businesses injured by import competition.\textsuperscript{78}

Despite the rosy predictions, the balance of trade continued to worsen for the United States. In 1971, the nation recorded its first trade deficit since 1888; by April 1972, the trade deficit reached its second highest level in history.\textsuperscript{79} The ACWA responded by holding at least two protests of its own to raise awareness of the effect of imports on their jobs. On May 19, the union held an import protest rally in Washington. The rally featured a caravan of members coming from two dozen cities nationwide, from Los Angeles and Salt Lake City in the west, Minneapolis, Chicago, and St. Louis in the Midwest; and northeastern cities including Boston, New York, and Philadelphia. With the exceptions of New Orleans, Atlanta, Knoxville, and Richmond, the South was virtually absent from the caravan.\textsuperscript{80}

The ACWA also continued its localized import protest marches outside department stores, bringing minor successes in the process. In August 1971, Local 125 of ACWA, representing clothing workers in southern Connecticut, brought 355 marchers to a mass import protest demonstration on Alexander’s department store in Milford. At the store, picketers carried signs and handed out

\textsuperscript{78} Congressional Quarterly Almanac, 1971: 690.

\textsuperscript{79} Congressional Quarterly Almanac, 1972: 437.

\textsuperscript{80} Memorandum from Jacob S. Potofsky and Frank Rosenblum to General Executive Board Members, Clothing and Cotton Garment Managers, March 11, 1971, MSS1, Amalgamated Clothing Workers of America, Local 125 Papers, Box 11, Folder 30 (Import Protest March, 1970-1971), SCUA-UMass. The 24 cities participating in the rally were Los Angeles, Salt Lake City, Denver, Kansas City, St. Louis, Minneapolis, Chicago, Little Rock, New Orleans, Atlanta, Knoxville, Cincinnati, Cleveland, Pittsburgh, Scranton, Allentown, Buffalo, Rochester, Boston, New York, Philadelphia, Baltimore, Washington, and Richmond.
fliers with titles like “Enough Is Enough,” “Unemployment For Sale,” “Inside This Store They’re Selling Unemployment,” and “SAY NO! Put An American Back To Work,” urging consumers not to buy imported goods in the store. Ten days later, Alexander’s had agreed to limit sales of imported clothing, joining two other department stores, Korvette’s and Klein’s, which reached a similar agreement following marches by the New York Joint Board.81

In addition to the protests, laborers also applied political pressure. On October 4, 1971, the Industrial Union Department of the AFL-CIO held a one-day “Save our Jobs” rally in Washington, in which unionists were encouraged to meet with their congressional representatives and voice their concerns about the impact of imports on their jobs.82

Yet consumer education campaigns, the groundswell of support for import quota legislation, and the AFL-CIO’s turn toward protectionism could not reverse the growth in clothing imports. In October 1970, the ACWA reported continued growth in imports of various kinds of apparel. In the first six months of 1970, compared to the corresponding period in 1969, suit and sport coat imports increased by 63.5 percent; imports of wool suits and jackets grew by 64 percent. Synthetic suit and jacket imports increased by 74.1 percent during that period, while imports of synthetic dresses and sport shirts increased by 42.2

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82 Memorandum from Jacob S. Potofsky and Frank Rosenblum, Amalgamated Clothing Workers of America, to all Joint Boards and Locals, August 27, 1971. MSS1, Amalgamated Clothing Workers of America, Local 125 Papers, Box 10, Folder 19 (Executive Board Correspondence, 1970-1972), SCUA-UMass.
percent. Meanwhile, the number of workers making tailored clothing fell 6.2 percent, from 120,400 workers in 1969 to 112,900 in 1970. If the imported items at the center of their report had been manufactured in the United States, the ACWA argued, the number of American textile and apparel workers would have increased by 250,000.83

By the fall of 1971, the enthusiasm that had infused textile unions on the potential for import quotas had been replaced with a qualified optimism, as hopes for a bill had been dashed due to opposition from multilateral corporations who stood to benefit from liberalized trade. Yet with Nixon’s bludgeoning of Asian textile exporting nations into an import quota agreement, the prospect of some relief from imports existed, at least for the textile industry. But the struggle over the Mills Bill revealed three larger problems: first, labor unions that were willing to question the rationale for trade liberalization in the face of imports that challenged the survival of their industries had fallen victim to the political ambitions of both Richard Nixon and Wilbur Mills. Both were willing to reject conventional wisdom on trade policy and back import quotas, but only as long as it served their political goals. Their political cat-and-mouse game did not benefit those workers in industries like textiles who sought some relief from imports. In the end, unions had no ability to counter or transcend the sometimes cynical machinations that powerful politicians displayed.

Second, Nixon’s decision to seek import quotas marked another example of a flaw that existed within the trade regime created in the New Deal era. By

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moving the responsibility for trade negotiations from the legislative branch to the executive branch, Cordell Hull had hoped to remove the congressional “logrolling” that came to dominate tariff negotiations. The RTAA accomplished that purpose, only to have presidential aims beyond free trade among nations guide trade policy, rather than intense congressional lobbying among tariff interests. In the 1930s, President Roosevelt sought to use trade negotiations to forestall international conflict. The pattern continued with the postwar administrations: Truman, Eisenhower, Kennedy, and Johnson each used reciprocal trade in their own way to help shape U.S. economic policy in the Cold War. In 1970, over the objections of those who supported free trade – a group that included multinational corporations, trading partners, legislators, and economists – Nixon used trade policy as part of a complex domestic political calculus designed to facilitate a political realignment that would put Republicans in power. Instead of removing politics from the process of setting trade policy, reciprocal trade only switched legislative prerogatives for executive ones.

Finally, the campaign of multinational corporations against the Mills Bill highlighted the presence of an increasingly powerful opponent to labor and to those industries that wanted to stem imports. The rise of multinational corporations in the United States, especially from the 1950s onward, demonstrably altered the balance of power among business, labor, and the state. Growing as national trade and tax policies embraced and encouraged world trade, by the 1970s their size and power made multinationals a force to be reckoned with. No U.S.-based multinationals hailed from the textile industry, yet the industry was affected by the growing power of multinationals. By opposing the Mills Bill, the Emergency Committee for American Trade helped block a
measure that the textile industry and textile and apparel unions wanted in order to slow the growth of imports. The power of multinationals seemed to eclipse that of several manufacturing sectors, including textiles, as well as the power of unions in textiles and apparel.

The campaign for import quotas dwindled along with prospects for the Mills Bill in early 1971. But organized labor, with textile unions in the lead, cast about for another vehicle to address their concerns over trade. While the labor movement would produce its own broad-based protectionist bill, it would have a much more difficult set of odds to win a victory against trade liberalization. Not only would they have to fight multinational corporations and other supporters of trade liberalization to accomplish their goal, they would have to face off against a former ally in the Nixon administration, which would soon reverse course on trade policy out of perceived economic necessity.
CHAPTER VII

The fight to win textile import quotas in 1970 and 1971, while ultimately yielding some beneficial results, appeared to offer a temporary roadblock for organized labor in its pursuit of protecting their more vulnerable industries and workers from import competition. But the issue gained momentum for a brief period from 1971 through 1973, as the AFL-CIO sought to capitalize on support for import quotas. Instead of a victory, organized labor wound up fighting both Nixon and Mills through 1974 as both moved toward supporting trade liberalization. In doing so, they rejected a bill that would have broadened import quotas beyond textiles. In that climactic year of 1974, both Nixon and Mills would be toppled from power by scandal. Yet, before their departure from office, each would support a new measure that further liberalized trade and gave the president even more power to negotiate trade deals. By then, the fabric of the New Deal Order, which had interwoven policies promoting increased security and an enhanced organizational voice for workers on one hand with the vision of a growth-driven economy fueled by liberalized trade on the other hand, was unraveling.

While imports commanded the attention of the textile industry and organized labor, trade issues in the Nixon administration mingled with the collapse of the Bretton Woods system of fixed currency exchange, which had guided international monetary policy and supplies since 1944. In the spring of 1971, West Germany, Switzerland, and France left the Bretton Woods system, strengthening their respective currencies and exchanging their dollar reserves for gold. In August 1971, Nixon, acting on the advice of Federal Reserve Chairman
Arthur Burns, Treasury Secretary John Connally, and Paul Volcker, the undersecretary for international monetary affairs, decided to break up the Bretton Woods system, ending the practice of allowing nations to exchange their dollars for gold. Nixon had previously opposed controls on wages and prices, but reversed course when faced with rising inflation, unemployment, and balance of trade deficits.

On August 15, after a weekend at Camp David in Maryland ironing out suggested courses of action from the State Department and details of his proposal, Nixon imposed wage and price controls as part of his “New Economic Policy” (NEP), which he called “the most comprehensive new economic policy to be undertaken by this nation in four decades.” The policy, also known colloquially as the “Nixon Shock,” was designed to create jobs, stop price inflation, and protect the dollar from speculation. Its elements were drastic: an immediate 90-day freeze on wage, price, and rent levels; a 10 percent cut in foreign economic aid; a $4.7 billion cut in fiscal 1972 federal budget levels; and a six-month deferment of a pay increase for federal employees scheduled to take effect at the beginning of 1972. Two additional measures were aimed at reducing the nation’s trade deficit and an overvalued dollar: a temporary 10 percent surcharge on most imports and, more significantly, a suspension of the dollar’s convertibility into gold. The latter move marked the end of American participation in the Bretton Woods system by establishing a “floating” dollar in world markets.¹

This chapter deepens the analysis of Allan Matusow by expanding upon his description of Nixon’s pursuit of a neo-mercantilist economy by trying to impose quotas on textile imports. This attempt at mercantilism was short-lived, however, and Nixon, amid a steadily worsening economy in 1971 and following the 1972 election, sought to generate U.S. exports and create additional American jobs by embracing trade as a tool of domestic economic policy rather than foreign affairs. In the process, Nixon continued to play for the support of organized labor as part of his political coalition, a task that suddenly ended as Nixon was swept up in the Watergate scandal. Yet Nixon’s defeat contained elements that the New Right used later in the decade to bring the New Deal Order to an end. Poor economic performance, public anxieties over the economy, and a steep recession in 1974-1975 (caused by Nixon’s failure to tame inflation) fed a public view of business, rather than government, as a source of economic prosperity. In turn, the economic downturns and the public anxieties opened the door to hallmarks

Under the Bretton Woods system, which was established in 1944, foreign currencies were fixed relative to the U.S. dollar; the dollar, in turn, was pegged at a congressionally established price of $35 per ounce of gold. By the 1960s, the dollar was overvalued as foreign aid, military spending, and foreign investment created a surplus of dollars and the United States lacked enough gold to cover the dollars in circulation at the $35-per-ounce rate. Efforts by the Kennedy and Johnson administrations failed to bring down the value of the dollar and keep the Bretton Woods system operating. The dollar became susceptible to runs in which foreign exchange traders sold dollars, expecting the U.S. would eventually devalue its currency. Nixon’s devaluing of the dollar under the New Economic Plan occurred after one such run on the dollar and amid evidence that the dollar’s value was undermining the nation’s position in foreign trade. In December 1971, the Smithsonian Agreement involving the Group of Ten (G-10) industrialized democracies established a new set of fixed exchange rates and formally devalued the dollar from $35 per ounce of gold to $38. See “Nixon and the End of the Bretton Woods System, 1971-1973,” U.S. Department of State, Office of the Historian (at https://history.state.gov/milestones/1969-1976/nixon-shock; accessed April 4, 2015). For more on Nixon’s economic policies, see Robert M. Collins, More: The Politics of Economic Growth in Postwar America (New York: Oxford University Press, 2000): 98=131, and Allan J. Matusow, Nixon’s Economy: Booms, Busts, Dollars, and Votes (Lawrence: University Press of Kansas, 1998).
of the New Right: pro-business policies, reduced domestic spending, and tight monetary policy to keep inflation low.²

The interplay in this chapter between labor and Congress, as well as between labor and the Nixon administration on trade, engages an issue completely missing from Robert M. Collins’ book on the political economy of postwar economic growth. Nixon’s shift from a neo-mercantilist in 1970 to a supporter of trade liberalization by 1973 represents his version of what Collins describes as his “full-blown growth liberalism” amid the economic pressures of the 1970s. Nixon’s reversal represents what Collins calls an attempt to match foreign and domestic policies with expectations for more growth without generating unemployment, inflation, or stagflation. This chapter will argue that Nixon’s views on foreign trade move him away from Cold War foreign policies toward a policy of economic growth.³

By outlining the arguments that multinationals put forth in opposing Burke-Hartke in 1972 and 1973, and in supporting what became the Trade Act of 1974, this chapter confirms Judith Stein’s description of political forces in the Democratic Party moving away from a labor-oriented political economy in the early 1970s. It also illuminates the general shift overall by the country’s political elites, who increasingly came to see finance and multinational enterprise, rather than domestic manufacturing, as the engine driving economic growth in the United States. The defeat of labor on Burke-Hartke and the Trade Act constituted an important step in the nation’s shift from manufacturing toward finance. The

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² Matusow, Nixon’s Economy.

arguments that multinationals put forward opposing Burke-Hartke and supporting the Trade Act added to the public perception that finance and free trade, not manufacturing and managed trade, was the wave of the future.\(^4\)

Finally, organized labor’s effort to slow the pace of trade liberalization illustrates a defeat that Timothy J. Minchin does not address in his book about the fight to save the U.S. textile industry – labor’s push to challenge trade liberalization in the late 1960s and early 1970s. These failures – all as the leaders of textile unions interacted with leaders at the highest level of government – illustrate labor’s relatively weak position at this time within the New Deal political coalition, as well as the increasing weakness of the coalition itself. Further, this relatively weak position underscores the tardiness of textile and apparel unions to join forces around import competition. The loss of the battles described in this chapter overdetermined the defeats of the later battles from the mid-1970s through the early 2000s, and the loss of the “war” to keep mills open. Textile unions’ inability to organize any significant number of workers in the U.S. South from the 1930s onward, as well as constant infighting among unions for control of the unionized workers already there, deprived labor of a powerful voice in one of the nation’s largest industries that could have made a difference in shifting views of foreign trade.\(^5\)


Nixon’s Nationalist Neomercantilism and the NEP

Nixon’s NEP was part of a shift that Matusow called an embrace of “a nationalist conception of U.S. interests” in terms of trade. Nixon would continue to seek import protections for textiles, in order to fulfill his political ambitions of bringing the South into his “New Majority.” Elsewhere, however, Nixon intended to lower trade barriers and aggressively produce exports to generate domestic employment. In doing so, Nixon hoped to stave off what European trading partners were calling an “American nightmare” in which competing nations combined technology and lower wages to push U.S.-made goods out of domestic and international markets.⁶

The impetus for Nixon’s reversal on trade came from Peter G. Peterson, an up-and-coming executive at Bell & Howell and acquaintance of George Shultz who found his way into the administration as an assistant for foreign economics in January 1971. Peterson’s tenure in the White House lasted less than a year before he moved to the Commerce Department, a victim of Nixon’s constant paranoia about leaks and his suspicions about Peterson’s ease in mingling with Washington’s social scene.⁷

By that time, however, Peterson had assembled a confidential memo to Nixon in April 1971 on the state of American competitive decline – a report that jolted the president into action. Published later that year as “The United States in the Changing World Economy,” the two-volume report described an American economy lagging in productivity, economic growth, investment, and its share of

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⁶ Matusow, Nixon’s Economy: 131.

⁷ Matusow, Nixon’s Economy: 132.
export trade. Peterson warned of rapidly declining superiority in economic affairs and urged the United States to both challenge unfair conduct among its trading partners and institute an industrial policy for the domestic economy. The report, which also argued that the United States could create between 60,000 and 80,000 new jobs for each $1 billion in exports it generated, helped Nixon see a connection between trade and domestic politics. In a conversation with Peterson in July 1971, Nixon stated that the United States must use trade policy “as an instrument of our domestic policy, e.g. jobs,” rather than as an instrument of foreign policy. Nixon repeated Peterson’s findings often to his staff, members of Congress, labor leaders, and others, even as academic economists scored the Peterson report as “mercantilist fantasy” because it flew in the face of centuries of study of international trade. Using classical economic theory, Herbert Stein – a member of Nixon’s Council of Economic Advisers – argued that a nation’s export trade existed to satisfy consumer wants, not to create jobs. Other critics on the council said imports were necessary because they helped American consumers pay less for goods than their domestically produced counterparts.

The criticisms did not deter Nixon or some of his aides, who saw a political benefit in the issue. A crusade to boost exports, even without results in time for the 1972 elections, would help Nixon with labor unions, who, beyond those who supported import quotas in textiles and other industries, were likely to equate exports with job growth. Aide H. R. Haldeman believed Nixon could win labor “by showing an interest in protecting their jobs.” Connally also

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9 Matusow, Nixon’s Economy: 133-139.
believed Nixon could “get to the labor rank and file, especially on the issue of jobs and particularly, on the American position in the world economy, i.e. our trade relations. On that issue, labor will be our strongest ally.”

In September 1971, twenty-five days after announcing his NEP, Nixon outlined its principles in an address to Congress. He called for “a new prosperity without war and without inflation” in which he called for help to “stop the rise in the cost of living” and help 2 million workers transition from an economy on a war footing as the nation wound down its involvement in Vietnam. Mixed among his calls to reorganize the federal government and reform welfare, and his stated intentions to impose budget cuts and postpone scheduled pay raises for federal employees, was an admission that the United States no longer occupied a dominant position in world trade. Nixon bowed to the new reality in citing a challenge from a world reshaped by “peaceful progress in the world over the past 25 years – progress which has altered dramatically the balance in the economic relationships between the United States and the other great nations of the world.”

That global progress meant the United States would have to face new relationships and challenges to American leadership; a new balance of economic power would test its standards of living. The United States was no longer alone and unchallenged, especially in matters of world trade. “Fifteen years ago, a prominent world statesman commented to me that world trade was like a poker

10 H. R. Haldeman diary entry, June 27, 1971; quoted in Matusow, Nixon’s Economy: 137; Connally, quoted in Matusow, Nixon’s Economy: 137.

game in which the United States held all the chips, and that we had to spread them around so others could play," Nixon said.

What he said was true in the 1940s. It was still partially true in the 1950s and the 1960s. It is no longer true today. We have generously passed out the chips. Now others can play on an equal basis – and we must play the game as we expect and want them to do. We must play the best we know how. The time has passed for the United States to compete with one hand tied behind its back. … We should not be resentful of these changes. They mean that more of the world’s people are living better than before. They help make the world a better and more stable and a safer place for all of us. But they also present us with a new set of challenges – the challenges of peace.12

Amid his administration’s drive to limit textile imports through voluntary agreements with trading partners, Nixon signaled a course reversal on trade, warning against trade isolationism and calling for continued engagement with the world. “We cannot remain a great nation if we build a permanent wall of tariffs and quotas around the United States,” he said. “We cannot live behind a wall that shuts the rest of the world out. If we were not a great power, we would not be the America we know. If we do not stay a great power, the world will not stay safe for free men.”13

Many Americans were already living the economic challenges Nixon warned of; for them, a precarious hold on employment security was all too

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13 Nixon, Congressional Quarterly Almanac 1971: 109A.
familiar in their lives. As Nixon spoke of a New Economic Plan, millions of Americans in the early 1970s faced a challenging new economic reality. Shaped in part by competition from world trade and unemployment, as well as a sense that the postwar economic boom was over, this new reality produced unsettling reminders that American prosperity was tenuous and not permanent. Ann Fleming, a housewife from Elmira, New York, described her family’s situation in a poignant typewritten letter to AFL-CIO President George Meany. On August 17, two days after Nixon announced he would impose wage and price controls, her husband, an engineer, was laid off from his job. For her family, the domestic economy was more important than conflict in a far-off land. “The war in Vietnam belongs to the past, – nobody talks about it anymore,” she wrote. “The main problem in this country now is the unemployment.”

Fleming also reflected on the anxiety she felt when her husband could not find a new job, emotions felt by millions in the 1970s:

It was a happy life in a happy home. Until August 17th, when my husband lost his job at Westinghouse. I feel, I lost the bottom under my feet. …My husband went to the Employment Agency, nothing. Then he went to a private agency, they told him, the companies are flooded with resumes from engineers, from all over the country. He went to college for 4 years, now nobody wants him. I am so depressed, that I see only one way out of this situation; to turn on the gas in the kitchen. … This world belongs to the rich only. The poor people have to fight for their every day life, till

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14 Letter to George Meany from Ann Fleming, September 1, 1971, RG1-038, Box 35, Folder 2, George Meany Memorial Archives, National Labor College, Silver Spring, Maryland (hereafter GMMA, NLC).
they die. … What kind of life is this, if we have to worry about tomorrow, if we are going to have money to buy food?¹⁵

Fleming’s concern about unemployment dovetailed with the proliferation of imported goods that were just as good, if not better, than their American counterparts. “You are a very powerful man Mr. Meany, isn’t there anything you can do about this? To stop the imports from Japan, Germany, Taiwan, Korea, Hong Kong etc?” she wrote. “If you Mr. Meany and President Nixon would get together, and figure out something how to stop the imports, we would have more jobs. If the people have jobs, then we shouldn’t have any inflation either.” Yet Fleming herself found it difficult to resist the allure of cheap imports. “About a month ago I bought myself four bluses [sic] imported from Hong Kong, they were $1 a piece. Here is the proof,” she wrote, referring to a price tag and label from one of the blouses she included in the letter. “That’s why our people don’t have jobs in this country. This should be stopped.”¹⁶

Burke-Hartke: Organized Labor’s Second Try for Import Quotas

While Nixon shifted toward an “export campaign” to generate jobs as part of the NEP, organized labor was neither sanguine about the president’s change nor ready to follow. Meany was already upset with the president’s wage and price controls, which negated wage increases won through collective bargaining

¹⁵ Letter to George Meany from Ann Fleming, September 1, 1971, RG1-038, Box 35, Folder 2, GMMA, NLC.

¹⁶ Ibid.
agreements immediately before the NEP was announced – a situation that deeply frayed relations between the two.¹⁷

As part of the NEP, Nixon issued Executive Order 11615, imposing a 90-day freeze on wages and prices in an effort to counter inflation – the first time the U.S. government had taken such action in peacetime – and imposed import surcharges of 10 percent to prevent American-made goods from being at a further disadvantage with foreign-made goods. The UTWA criticized the import surcharge as inadequate to stop textile imports from the Far East and repeated their call for “firm, fair and adequate quotas” on textile and apparel imports.¹⁸ In contrast to its stance on the Far East, the UTWA asked the administration to remove the 10 percent surcharge on imports from Canada, characterizing the surcharge as harmful to the nation’s largest trading partner.¹⁹

Members of the UTWA’s executive council, meeting in New York, called for import quotas as the solution to protecting jobs and manufacturing in the U.S. textile industry. “In the past two years, 113,000 textile jobs have been lost and 400 textile plants have been forced out of business in the United States,” the executive council declared in a resolution. “The crisis in the textile industry has reached proportions unparalleled in our history, and the threat of utter extinction of the industry faces us today.” The executive council further blamed imports as well as the ability of multinational corporations to exercise “their manipulation

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¹⁷ Nixon would receive a frosty reception from Meany and the AFL-CIO that fall at its convention in Bal Harbour, Florida, in part because of the effect the wage and price controls had on negotiated wage increases. See Matusow, *Nixon’s Economy*: 160-162.


of international investment, their exploitation of people, and their growing control of the channels of commerce. ... All this has added up to the daily exportation of jobs and technologies, of plants and equipment.”

The council called Nixon’s 10 percent surcharge on foreign imports a “palliative” that failed to protect textile workers or the industry while being simple enough for capital and multinational corporations to evade. “It is far too small a barrier to stem so great a tide of cheap textile and apparel imports.”

At the AFL-CIO’s ninth biennial convention in 1971, the question of import competition was as strong as it had been in recent years, although the federation devoted more attention and effort to criticizing Nixon’s economic plan. Though there were no legislative or policy successes to speak of on the question of import competition, the AFL-CIO could point to a conference the IUD held in 1970 on the crisis in international trade, which attracted more than 500 delegates from 40 unions calling for action from the White House and Congress. The only other action, besides the AFL-CIO conference on jobs in July 1971, was a report by Baldanzi and Charles Feinstein, president of the International Leather Goods, Plastics and Novelty Workers Union. Titled “Foreign Imports: Their Impact on the Jobs of American Workers,” the report was designed to call attention to the “detrimental impact upon the job opportunities of American workers that has been created by foreign imports of all kinds of manufactured goods.” Published in early 1971 by the Maritime

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20 “UTW Council Raps Surcharge As Inadequate, Asks Quotas,” 1.

21 Ibid.

Trades Department, the report was seen as a “sincere and authoritative effort to define and inventory the depressive effect of foreign competition upon the American economy and American job opportunities.”

In September 1971, in testimony to the Senate Finance Committee on the international aspects of Nixon’s new economic policy, Paul Volcker, a treasury undersecretary, urged new attention to the issue of world trade. “We must not be satisfied with half-way measures, but only with a complete and convincing elimination of our deficits,” said Volcker. “In practical terms, this means we must, after years of deficits, restore our domestic competitive strength, achieve a needed realignment of exchange rates, assure fair competitive opportunities in world markets, achieve a substantial surplus in our trade position, and find a better sharing of the heavy costs of maintaining the security of the Free World.”

In order to stimulate economic growth, Nixon proposed a tax plan that he estimated would create 500,000 jobs in the coming year. The proposal, which aimed to reduce business and individual taxes to boost the economy, included a tax exemption for businesses engaged primarily in exporting. Such businesses, which qualified as domestic international sales corporations, or DISCs, would be taxed on half the profits it distributed to shareholders for five years, beginning in 1972. To qualify as a DISC, a company had to produce 95 percent of its gross receipts from export sales, leases, investments, or related activities, and 95 percent of its assets needed to be export related. The DISC proposal immediately drew criticism from organized labor as a means to accelerate the


growth of multinational corporations, enhance capital mobility, and further erode domestic employment. Not only did the proposal remain in the bill over the objections of labor, a House-Senate conference also removed the five-year limit on DISCs established by the Senate, making the DISC proposal permanent.\textsuperscript{26}

In imposing the import surcharge, Nixon invoked powers granted in the Trade Expansion Act of 1962, which authorized import restrictions whenever imports were determined to threaten national security. The act also authorized tariff increase in case of injury to domestic workers or businesses through tariff cuts.\textsuperscript{27}

But it was not enough. At a Senate Finance Committee hearing, O. R. Strackbein, the president of the Nation-Wide Committee on Import-Export Policy, called for a limit on imports. Proposals to give businesses investment credits and DISC coverage, he argued, did little to address the basic problem caused by import competition. “For this we need ceilings on imports limiting their inroads to a predetermined reasonable share of our market,” he said. “With the establishment of ceilings on import-harassed products we could remove other trade barriers, even the tariff, and thus overcome foreign objection to our insistence on preserving our system against destruction.”\textsuperscript{28}

Frustrated with the mounting job losses caused in part by trade deficits and stung by the failure of the Mills Bill in 1970, labor and its allies in Congress mounted yet another push for import quotas. This time, they pinned their hopes on a trade quota bill first proposed in September 1971. Sponsored by two

\textsuperscript{26} Congressional Quarterly Almanac, 1971: 457.

\textsuperscript{27} Congressional Quarterly Almanac, 1971: 433.

\textsuperscript{28} Congressional Quarterly Almanac, 1971: 439.
Democrats, Rep. James A. Burke of Massachusetts and Sen. Vance Hartke, of Indiana, the Foreign Trade and Investment Act they sponsored would become known by their last names: Burke-Hartke. The Nixon administration vehemently opposed the bill during its short-lived existence on Capitol Hill in 1972 and 1973, as Nixon only favored import quotas on textiles as part of his continued pursuit of southern political support. Yet for virtually its entire existence, Burke-Hartke was a part of trade policy negotiations between the administration and the AFL-CIO.29

Burke, a native Bostonian, and Hartke, who hailed from a small southern Indiana town, seemed worlds apart but shared similarities. Both served in World War II – Burke in a counterintelligence unit attached to an infantry division; Hartke, in the U.S. Coast Guard and Navy as a seaman. The two shared an interest in politics and government: Hartke was a county prosecutor and mayor of Evansville before entering Congress; Burke served in the Massachusetts general court and the state House. Both were elected to Congress in 1958, and served into the 1970s – Hartke losing a 1976 reelection bid to Republican Richard Lugar; Burke retiring two years later. Between 1963 and 1977, Burke represented Massachusetts’ Eleventh Congressional District, the same seat held by John F. Kennedy from 1947 to 1953. (Thomas P. “Tip” O’Neill, the House speaker best known for finding common ground with President Ronald Reagan, succeeded

Kennedy and represented the district from 1953 to 1963. Hartke also had higher political aspirations, mounting a short-lived presidential campaign in 1972. Burke, meanwhile, organized a “Draft Mills for President” movement in 1971, inspiring Mills’ short-lived presidential campaign. Both were familiar with job losses among their respective constituents at the hands of imports. For Hartke, it was Indiana’s steel industry, which had mounted its own campaign against imports in the late 1960s. For Burke, it was the Massachusetts shoe industry, which Hartke aided in 1970 when he joined independent Sen. Harry F. Byrd Jr. of Virginia and Democratic Sen. Albert Gore of Tennessee to reverse a previous vote by the Senate Finance Committee and keep an import quota on shoes in the Mills Bill.

Developed with the aid of the AFL-CIO’s legislative department, Burke-Hartke was designed to prevent both the outflow of capital from the United States as well as the influx of imported goods, some of which came from U.S.-based companies with overseas operations. Beginning in the mid-1960s, according to critics in organized labor and some economists, the combination of technology and capital from wealthy nations combined with the cheap labor of poor nations to shift jobs out of the United States for the purpose of maximizing profits. The shift to cut labor costs meant that only a fraction of televisions, cameras, watches, electronics, and other goods, were being manufactured in the

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United States by the early 1970s, in comparison to previous decades. Supporters of offshoring, including ECAT, the organization representing multinational corporations, cited a study of 74 multinationals that claimed direct foreign investment helped save or create 600,000 domestic jobs. Another pro-multinational study, conducted by the U.S. Chamber of Commerce and surveying 121 companies, claimed the companies created 771,000 jobs between 1960 and 1970. The AFL-CIO, meanwhile, claimed global corporations cost 500,000 jobs in the United States between 1966 and 1969. While supporters and opponents of Burke-Hartke disagreed over the effect of multinationals on domestic jobs and manufacturing, others noticed weakening effects for workers; for instance, jobs created in corporate headquarters did not offset an equal number of jobs lost in manufacturing facilities.\(^{33}\)

“The transfer of investment from local factories to overseas factories has exerted a downward pressure on wages generally because it has undermined the bargaining power of organized labor,” wrote two analysts of the activities of multinationals. “Increasingly, unions have forgone increases or even accepted wage reductions in order to induce a company not to relocate abroad.” Capital mobility, they wrote, was challenging the immobility of labor, with one particularly frightening result: the earlier trend toward greater income equality in the United States “has ground to a halt. … The exodus to Taiwan, Singapore

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\(^{33}\) Edwin L. Dale Jr., “Multinational Companies In U.S. Set Job Pace in ‘60’s,” *The New York Times*, February 15, 1972; Paul Jablow, “Meany is elated, but labor faces delicate task,” *The (Baltimore) Sun*, November 9, 1972; Richard J. Barnet and Ronald E. Müller, “Companies Go Abroad, And Jobs Go Along,” *The New York Times*, December 22, 1974. The ECAT study’s findings were based on an assumption that moving production to low-wage countries increased jobs for Americans because the differential in wages between U.S. workers and low-wage counterparts would eventually cost American manufacturers’ share of their market to foreign competitors if it kept production in the United States. The savings from labor costs, meanwhile, would stimulate American jobs in other areas, like service functions.
and Mexico over the past 10 years has complicated the employment crisis in the United States, particularly for blue collar workers.”34

To address the effects of multinationals, the Burke-Hartke measure aimed to reduce imports by setting quotas across a range of products that were most heavily threatened by import competition. More importantly, though, it also aimed to limit capital mobility by changing the tax regulations governing foreign investment by U.S. multinational corporations. For instance, the bill would eliminate a foreign tax credit that companies would receive on their U.S. tax bills for income taxes the company paid to foreign governments. Instead, the company could deduct the foreign taxes from their foreign earnings, removing the initiative to invest abroad and using foreign tax payments to offset domestic tax bills. The second proposal would eliminate a provision from the 1954 tax act that allowed U.S. companies with overseas subsidiaries to pay taxes on the profit it repatriated to the United States. Instead, Burke-Hartke would subject a multinational’s corporate income to U.S. income taxes in the year it was earned, regardless of the nation where it was earned. Such a provision would block multinationals from deferring taxes on its overseas earnings.35

Andrew J. Biemiller, the AFL-CIO’s legislative director, voiced his support for Burke-Hartke during testimony before the House Foreign Affairs Subcommittee on Foreign Economic Policy on trade adjustment assistance in April 1972. The Burke-Hartke bill, Biemiller said, could “provide both immediate remedies and long-term answers to the inrush of imports and the outflow of

34 Barnet and Müller, “Companies Go Abroad, And Jobs Go Along.”

capital and technology. …The concept of the bill is to save threatened industries and to eventually enable hard-hit producers to regain domestic production and re-employ workers idled by the imports.”

Textile labor leaders had been pushing for some kind of curb on the practice of multinationals as well. In late 1971, during a speech to members of the AFL-CIO Maritime Trades Department, UTWA President George Baldanzi requested the federal government provide retroactive aid to workers displaced by imports. Baldanzi compared average hourly wages in the textile and apparel industries of various nations – $2.59 in the United States, 57 cents in Japan and as low as 13 cents for men and 7 cents for women in South Korea – to demonstrate a need for additional import quotas on textiles beyond those the Nixon administration had reached earlier that year. But he argued that injury to American workers more likely came from home than from abroad, in a reference to the rise of the multinational corporation: “Much of what we choose to call ‘foreign competition’ has, in a very real sense, been ‘domestic competition,’ he said. “Much of it has come from the very companies which used to employ your members but which have exported your jobs abroad and kept the profits for themselves.”

Baldanzi also criticized American firms operating as part of multinational corporations that “pull the strings by which they manipulate international investment, by which they wring productivity out of human beings for pennies an hour, and by which they tighten their grip on the channels of commerce.” He

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36 Congressional Quarterly Almanac, 1972: 487.

argued that organized labor had erred in accepting “trade adjustment assistance” in the Trade Expansion Act of 1962. As explained in Chapter VI, no workers were certified for adjustment assistance benefits between 1962 and 1969 because federal agencies rejected applications for not linking job losses or injuries to companies to tariff reductions in their respective industries. After the Nixon administration loosened the criteria, the Tariff Commission would certify TAA petitions in 81 cases between December 1969 and June 1973, covering more than 37,000 workers in 28 states, although workers complained that benefits were still slow in coming. Most of the early successful petitions came from the shoe and footwear industry as well as manufacturers of televisions and radios. Twenty-three TAA petitions came from the textile industry; six of those were approved.38

By the end of 1971, Baldanzi was calling for Congress to include in the Burke-Hartke bill retroactive protections to U.S. workers and industries harmed by imports. Even so, TAA would not have been fair to extend to workers who had put in decades in a trade or had built up home equity, only to have to change locations. “It wouldn’t have been fair in the booming years of the 60’s,” Baldanzi said. “And it certainly isn’t equitable as we stand amid the rubble of the economic bust of the 70’s. Not with 6 percent of the workforce idle. Not when all the jobs for which a man could be trained turned out to be in industries that, themselves, are being damaged by imports, too.”39

The UTWA president had kind sentiments for Burke-Hartke, saying it would “take at least some of the profit out of exporting American jobs” by


ending special tax exemptions, restricting capital outflows from the United States, and limiting licensing of foreign firms to produce goods under U.S. patents. He also appreciated its reliance on a flexible system of import quotas, using import levels between 1965 and 1969 as its baseline. Such a baseline for import quotas was a “generous share” that workers in some domestic industries could afford; for the textile industry, the 1965-69 baseline was “far superior to the base that has been established with Japan, Hong Kong, Taiwan, and Korea” in voluntary quotas negotiated for 1971 by the Nixon administration. Baldanzi’s push for Burke-Hartke would be among his last actions as the union’s president. In April 1972, Baldanzi, who got his start in the labor movement as a 16-year-old coal miner before joining a forerunner of the UTWA, then the TWOC and TWUA before returning to the UTWA, was felled by a heart attack at the age of 65.40

With the debate over imports continuing amid a slowing economy, the introduction of Burke-Hartke, coming on the heels of the failure of the Mills Bill, continued to buoy the hopes of organized labor that import quotas were within reach. But they would have to overcome resistance from multinationals, the very businesses that political leaders and prominent thinkers were equating with the future of the American economy.

**Labor Versus Business: Burke-Hartke and the Battle Over Imports**

As organized labor saw in Burke-Hartke a potential solution to import competition, the nation’s business community began to sharpen its arguments...

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against the measure. In responding to a questionnaire produced by the National Association of Manufacturers (NAM), one tax attorney argued to NAM president W. P. Gullander that the most effective position against Burke-Hartke would be to point out the legislation would not shift manufacturing back to the United States. Instead, it would likely lead to a decline in domestic manufacturing tied to exports. “I do not think that the prospect of increased tax burden on U.S. manufacturers will tend to defeat Burke-Hartke; a demonstration that the enactment of that bill would not lead to a greater employment here might.”\(^{41}\) In response, the NAM’s Edward A. Sprague agreed that “the most pertinent and effective information that the business community could develop in terms of combating Burke-Hartke type of legislation would be whatever negative effects it would have on U.S. employment.”\(^{42}\)

Corporations were most concerned about the effects of Sections 102 and 103 of the Burke-Hartke bill. Section 102 would require corporations to include the earnings of controlled foreign subsidiaries in their income, regardless of whether the earnings were distributed to shareholders or held with the corporation. Section 103, meanwhile, would eliminate a dollar-for-dollar tax credit for U.S.-based businesses that paid taxes on their overseas operations to other nations, but would have allowed corporations to deduct taxes paid overseas from their U.S. taxes. As a result, companies would enjoy a smaller

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\(^{42}\) Letter from Edward A. Sprague, National Association of Manufacturers, to Henry H. Steiner, May 10, 1972. NAM Papers, Accession 1411, Series IV, Box 21, Folder “Burke-Hartke,” HML.
write-off of their U.S. tax liabilities for their foreign tax payments if that section of Burke-Hartke became law.\textsuperscript{43}

Under Burke-Hartke, the survey found, the combined corporate foreign and U.S. income tax rate on earnings of foreign subsidiaries would approximate 72 percent, assuming an effective foreign income tax rate of 40 percent and a 10 percent tax on dividends. A survey of corporations belonging to NAM’s international taxation subcommittee, which included companies like Pfizer, Xerox, Mobil Oil, Inland Steel, US Steel, Goodyear, and Chrysler, found that with Burke-Hartke, foreign subsidiaries would pay most earnings to their parent to finance tax payments. “Under these circumstances it is difficult to foresee anything but decreased employment both at home and abroad because of the drastic curtailment in the generation of capital,” the memo concluded, tacking on a chilling response from a CEO who NAM surveyed: “In my opinion, the Dow Jones average would fall 300 points if Mr. Mills were stupid enough to report this bill out of Ways and Means.”\textsuperscript{44}

The NAM saw the AFL-CIO as arguing that tax deferrals and credits gave multinational corporations unfair incentives to invest abroad and advantages over domestic firms. The manufacturers’ association planned to counter that labor’s argument was inconsistent with domestic treatment of corporate

\textsuperscript{43} Minutes of the International Taxation Subcommittee Meeting, Sheraton-Four Ambassadors Hotel, Miami, April 5, 1972. NAM Papers, Accession 1411, Series IV, Box 21, Folder “Burke-Hartke,” HML.

\textsuperscript{44} Minutes of the International Taxation Subcommittee Meeting, Sheraton-Four Ambassadors Hotel, Miami, April 5, 1972. NAM Papers, Accession 1411, Series IV, Box 21, Folder “Burke-Hartke,” HML.
earnings. More than 25 nations did not tax foreign subsidiary earnings, regardless of whether they were distributed to shareholders.45

Where the AFL-CIO argued that Burke-Hartke would aid the economy by encouraging domestic employment (saving unionized jobs) and pushing the United States’ trade balance into surplus, businesses were prepared to counter with arguments that Burke-Hartke would isolate the United States’ economy from the rest of the world and accelerate manufacturing decline. They believed Burke-Hartke would increase corporate tax rates and reduce earnings; reduce the amount of money available to pay dividends, invest in operations, and modernize and expand domestic facilities. As for the balance of payments issue, businesses argued that any short-term advantage for the United States would turn unfavorable as lower foreign exports and sales led to less foreign investment, culminating in lower earnings available to remit to the United States.46

Burke-Hartke came on the scene at a time when the United States’ trade deficit continued to show signs of widening. The $700 million trade deficit recorded in April 1972 alone, representing one third of the entire deficit for 1971, hinted the situation would continue to deteriorate. While the Christian Science Monitor argued the problems causing the trade deficit were mostly temporary – an improving U.S. economy was attracting more exports; domestic consumption was absorbing domestic goods that otherwise would have been exported; and recessions and inflation in other nations were slowing the purchase of American

45 Minutes of the International Taxation Subcommittee Meeting, Sheraton-Four Ambassadors Hotel, Miami, April 5, 1972. NAM Papers, Accession 1411, Series IV, Box 21, Folder “Burke-Hartke,” HML.

46 Ibid.
exports – long-range issues needed resolution. “One area of action is the special
tax privileges accorded American-owned international companies in the postwar
years, to encourage investment in European and Japanese recovery. That need
has, of course, long since disappeared.” Unfortunately, efforts to withdraw the
tax privileges were tied in with Burke-Hartke, which the editorial said contained
protectionist elements that “put it in the class of the notorious Smoot-Hawley Act
of 1930.”

The argument over Burke-Hartke continued throughout 1972 and into
1973, spanning two separate sessions of Congress (the bill was introduced in
1971, but Congress took no action on the bill; it would be reintroduced in 1973).
In a December 1972 address announcing the result of a NAM survey of 83 U.S.
corporations with foreign subsidiaries on the impact the bill would likely have
on multinational corporations, J. Stanford Smith reported four reasons why the
bill would harm the public interest: first, it would hurt U.S. employment,
jeopardizing the jobs of 3 million Americans whose jobs depended on exports.
Second, the tariff and import quota system would limit imports “and certainly
trigger an international trade war that would reduce American exports.” Third,
restrictions on technical interchanges and licensing would erode U.S. leadership
in technology. Finally, U.S. direct foreign investment would widen the nation’s
balance of payments gap by reducing earnings remitted back to the United States
by corporations, which it claimed was the largest positive contributor to U.S.
balance of payments. The firms surveyed also paid a higher proportion of taxes
on foreign income (50 percent) versus their domestic income (44.5 percent),

reinvested an average of 47 percent of their after-tax remitted earnings in domestic plants, equipment, and research and development, and had an additional $4.5 billion available through remittances for domestic facilities – an amount large enough to create or maintain more than 200,000 U.S. jobs at $22,000 per job. Were Burke-Hartke enacted with Sections 102 and 103, most U.S. multinationals would be forced to close or reduce their foreign operations, affecting stockholders and pensioners through the reduction of $800 million in dividend income among the companies studied alone.48

Enactment of Burke-Hartke would also aggravate the U.S. balance of payments, reducing sales of U.S. exports and likely causing U.S. imports to increase. It argued that U.S. industrial foreign earnings had increased from $2.3 billion in 1960 to $7.3 billion in 1971, providing an important boost to the nation’s balance of payments. Finally, enacting the Burke-Hartke tax provisions, NAM argued, would tax U.S. foreign subsidiaries out of existence, ruin the nation’s competitive position, and make the United States “a second-rate economic power.”49

“The U.S. today is no longer the undisputed world economic power that it once was,” Smith said. “Expansion of the European Common Market, the emergence of Japan, tariff and non-tariff barriers, differences in transportation and labor costs, and special local market needs are but a few of the realities of


international competition which led to the emergence of the multinationals and the use of foreign subsidiaries as the primary vehicle for international trade and business.” Meanwhile, repealing tax credits for foreign taxes and taxing all foreign subsidiary income, regardless of repatriation, “would force U.S. firms to pay taxes of over 70 percent on their foreign earnings and place U.S. multinational corporations at a severe competitive disadvantage with foreign firms.” Echoing the *Christian Science Monitor* editorial, Smith said the proposals in Burke-Hartke “would impede the competitiveness of American industry and turn the clock backward to the tragic days of Smoot-Hawley.”

More opposition built to the Burke-Hartke bill. Republican Rep. Bill Frenzel of Minnesota alleged the bill had a misguided approach – to “freeze America in place while the rest of the world marches by.” He continued:

> It is distressing to see big labor apparently retrenching from a traditional free trade position. It is not that it doesn’t have provocation. No one wants to stand idly by while jobs in textiles, shoes, electronics, etc., are daily lost to cheap labor in other parts of the world. Displaced industries and employees have a major point in equity which is as yet unsatisfied. However, I believe the answer is not to build a wall around our country and thereby deny to future generations the advantages of our participation in international competition.  

In rejecting Burke-Hartke, Frenzel turned to an old argument that protectionist measures would “build a tariff wall” around the country and isolate

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itself from the rest of the world, an argument that invariably rises amid debates on trade. In doing so, he suggested protection only be extended to industries that were essential to national defense or national survival, and that free trade proposals include provisions “to take care of the people who have lost their jobs.” Instead of helping the United States compete better with the rest of the world, Burke-Hartke would hearken the nation back to an older, isolationist era. The measure, he said, “ultimately places all of the United States in the wagon box and buggy whip industries. It is literally a declaration of willingness to drop out of the world.”

An analysis of the bill by the Wednesday Group, a caucus of moderate House Republicans, showed the bill was drafted with the intent of promoting “a fully employed, innovative and diversified production base in the United States and to prevent the destruction of its critical portions.” It was also intended to insure the continued production of goods that had been historically produced in the United States, encourage a return of production that had been transferred abroad, and maintain a fair proportion of domestic product production. To accomplish these goals, the bill would raise taxes on companies that invested overseas. Beginning in 1972, it would limit imports of goods to average levels reached between 1965 and 1969, an across-the-board reduction of about 30 percent. The bill would also create a new agency to regulate imports, the U.S. Foreign Trade and Investment Commission, to replace the Tariff Commission, and would authorize the president to regulate the movement of American capital abroad upon a determination that U.S. employment opportunities were

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decreasing as a result. The Nixon administration opposed Burke-Hartke; Richardson noted the bill had little support from many of the Democratic presidential hopefuls for 1972, including Wilbur Mills, whose trade quota bill died in Congress in 1970; he briefly considered seeking the nomination for president that year.

Opponents of Burke-Hartke, in addition to the multinational corporations represented by NAM, included the ECAT, the U.S. Chamber of Commerce, and the Committee for a National Trade Policy. They believed the loss of the foreign tax credit would harm multinationals; that import quotas and a new commission would harm manufacturing multinationals, and that the capital and technology provisions would harm the flow of both in an increasingly interdependent world. Other opponents included companies in industries that would benefit from the expansion of exports, banks, the National Foreign Trade Council. At least one union – the United Auto Workers, which had left the AFL-CIO in 1968, breaking with Meany over Vietnam – decided to oppose the bill instead of supporting it. The UAW’s decision marked a confidence that the auto industry would export more cars abroad, benefiting its members in the process. In reality, though, recessions, oil shocks, and a flood of Japanese imports would reverse the UAW’s fortunes by the end of the 1970s. Such splits over Burke-Hartke were not uncommon. In another union outside the AFL-CIO, the Teamsters, Burke-Hartke divided its locals based on geography: locals in the inland industrial states, where members were aware of their fellow laborers’ tribulations with import

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54 Ibid.
competition, tended to support Burke-Hartke. On the coasts, however, Teamsters locals opposed Burke-Hartke, choosing instead to support trade liberalization and the additional jobs they stood to gain from an increase in the flow of international trade.\(^{55}\)

In opposing Burke-Hartke, the UAW opted to seek trade adjustment assistance at a level that, in the description of UAW President Leonard Woodcock, “would make it possible for the U.S. to admit imports from the poor countries without harm to American workers.” Woodcock wanted assistance at a level similar to what Congress gave the nation’s passenger railroad employees when it passed legislation in 1971 consolidating passenger rail systems under the National Railroad Passenger Corporation (Amtrak): up to six years of full pay for laid-off workers, plus reimbursement for moving expenses and losses on home sales for workers who relocated to accept other jobs.\(^{56}\)

Burke-Hartke “would do great damage to our nation’s economy and to our foreign relations,” argued Minnesota Democratic-Farmer-Labor Rep. Donald M. Fraser. Trading partners had already indicated they would retaliate against U.S. products if the United States imposed import quotas or tariffs; such a move would lead to a trade war, undermining the national economy and increasing unemployment. Fraser believed an improved TAA program would be the best approach to take while lowering trade barriers, as it would give workers harmed by imports an opportunity to move into new jobs.\(^{57}\)


As supporters of Burke-Hartke warned of the forces trying to kill the legislation, opponents did the same in warning of groups supporting the bill. “Union labor is presently engaged in a massive program to secure definite commitments to support this bill from present senators and congressmen as well as prospective new 1972 candidates,” read a missive to employees of the Honeywell Corporation. “They claim overseas manufacturing by subsidiaries of U.S. companies represents an export of jobs and technology causing unemployment in this country.” The company argued that multinationals were engaged in overseas manufacturing “to be competitive in the overseas market place” and that such activities made increased exports possible. Instead of adopting proposals like Burke-Hartke, Honeywell suggested, the executive branch should negotiate with trading partners, using “judicious and selective use of import quotas and other economic measures” to reduce trade barriers.58

Others sent letters directly to Sen. Hartke voicing their opposition. “Nobody can deny that the United States today faces a series of circumstances which must be addressed straightforwardly and solved,” wrote Robert H. Malott in a letter to Hartke, listing inflation, unemployment, and deficits in the balance of trade and balance of payments. Malott, whose company exported agricultural and food equipment, felt that Burke-Hartke ran counter to the best interests of the United States or most American consumers. “I must take a strong exception to any implication that multi-national companies, generally, and the export of technology and foreign investments, specifically, are the cause of our problems,” he wrote. “I think it is extremely dangerous to generalize and leave an

impression that American multi-national companies are either the source of the problem or that they generally operate contrary to the interest of the United States in maintaining a world competitive position.” Malott argued that the United States needed “new, more equitable, selected trade understandings” with major trade partners to even out the nation’s balance of payments.  

A. Carl Kotchian, the president of Lockheed Aircraft Corp., also set down his opposition to the bill in a letter to Hartke. “The expansion of trade, investment, and technical exchange which has contributed to the welfare of the U.S. and other nations since World War II would be replaced by retaliation and contraction,” Kotchian wrote.  

Course Reversal: Nixon, Trade Liberalization, and the Trade Act of 1973

As organized labor and business squared off over Burke-Hartke, the Nixon administration’s NEP was running into problems as wage and price controls and currency devaluations, adopted following a round of currency speculation in 1971, failed to stop inflation and made the dollar vulnerable to more speculation. A second wave of speculation occurred in early 1973, when currency traders dumped their overvalued dollars for West German deutsche marks and Japanese yen, anticipating a revaluation of those currencies upward against the dollar. Trade flows had also played a role in this round of speculation: the continued deficits in the U.S. balance of trade and balance of payments to Japan and West Germany had once again given both nations a large


60 Letter from A. Carl Kotchian, Lockheed Aircraft Corporation, to Sen. Vance Hartke, May 12, 1972, NAM Papers, Accession 1411, Series IV, Box 21, Folder “Burke-Hartke,” HML.
supply of dollars. Because the U.S. trade deficit had increased to more than $6.4 billion during 1972, the balance of payments deficit had not rebounded in the United States’ favor, as had been expected. Furthermore, the international community had lingering doubts about the effectiveness of Nixon’s wage and price controls, now well into their second full year.\textsuperscript{61}

Nixon had planned to put his New Majority into action again in the 1972 elections, and on balance accomplished that objective with organized labor. Nixon had antagonized George Meany and the AFL-CIO with his opposition to both Burke-Hartke and the Mills Bill, as well as by his decision to impose wage and price controls. Yet, with Meany still supportive of American efforts in Vietnam, the AFL-CIO remained neutral in the election rather than support the Democratic candidate, anti-war Senator George McGovern of South Dakota. By offering no endorsement, the federation’s member unions divided between the building trades, many of whom endorsed Nixon, and the large industrial unions, including the TWUA and ACWA, which endorsed McGovern.\textsuperscript{62}

Nixon had instituted wage and price controls in the hopes of stimulating the economy and removing an obstacle to his re-election campaign; it had believed its macroeconomic policy was generating growth without inflation. By early 1973, just as revelations of a June 1972 burglary at the Watergate complex set in motion the scandal that ended Nixon’s presidency, another issue had surfaced. A boom in production had generated explosive growth in consumer spending and demand for raw materials that drove up prices despite controls.


\textsuperscript{62} Matusow, \emph{Nixon’s Economy}: 214-216; Paul Jablow, “Meany is elated, but labor faces delicate task,” \emph{The (Baltimore) Sun}, November 9, 1972; “Quite a Game of Golf,” \emph{The Wall Street Journal}, September 18, 1972.
Inflation caused by excess domestic demand and worldwide commodity shortages (food, then oil) would drive inflation to higher levels in 1973. In response, the Nixon administration imposed another round of wage and price controls in January 1973.63

A month later, Nixon reversed course on his 1969 declaration that no round of trade negotiations would proceed on his watch. Over the course of 1973, more than 80 nations conducted trade negotiations, the first since the Kennedy Round in the late 1960s. The United States, however, was not participating in the 1973 round; Congress had not given the president authority to negotiate trade agreements since President Kennedy’s Trade Expansion Act in 1962, and that authority had expired in 1967, just after the Kennedy Round was completed. As discussed in Chapter IV, a groundswell of calls for import quotas in the fall of 1967 from a variety of industries, including textiles, steel, and shoes, forced the Johnson administration to shelve its plans for a trade bill that would have extended presidential authority to negotiate new trade agreements.

The Nixon administration had opened the door to revamping trade policy in late 1972. It had entertained proposals that included giving the president new authority to negotiate trade deals with other nations, as well as a revised TAA program that would allow workers and industries to qualify for benefits more easily. More importantly, Nixon’s plan included a feature that he hoped would soften the impact of foreign imports while adhering to the philosophy of trade liberalization. Under the White House proposal, the president would have the authority to raise tariffs on imported goods to a level high enough that allowed the domestic industry to compete. Over the following five years, the tariff would

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63 Matusow, *Nixon’s Economy*: 219-221.
then be lowered to its original level, giving the affected domestic industry time to better compete by diversifying its products, adopting new technologies, or ending production altogether. Nixon also wanted the authority to negotiate trade agreements and then bring them back before Congress, which could approve or reject the deal within 90 days; if Congress did not take up the trade deal, it would take effect after the 90-day period concluded. Nixon hoped the flexible approach of raising and lowering tariffs, as well as the “fast-track” authority extended to the president, would lessen the need for the fixed, across-the-board quotas envisioned in Burke-Hartke.64

On the night of February 12, 1973, responding to the currency speculation, Treasury Secretary George P. Shultz announced the Nixon administration would again devalue the dollar by 10 percent, lowering its fixed value to $42.22 per ounce of gold from $38. In addition, Shultz announced that Nixon would send Congress “proposals for comprehensive trade legislation” that would grant the executive branch the fast-track authority as well as the power to raise or lower tariff and non-tariff barriers as needed to protect U.S. interests. Shultz later acknowledged the currency devaluation and trade package were intended to even out trade balances with Japan, which posted a $4.2 billion trade surplus with the United States in 1972. The currency alignment, he said, was “designed, together with appropriate trade liberalization, to correct the major payments in balance between Japan and the United States which has persisted in the past

year.” Japan and West Germany would pledge not to match the dollar devaluation, driving up the value of their respective currencies against the dollar by at least 10 percent.65

Much of the immediate reaction to the Shultz announcement focused on the dollar devaluation. Exporters, including automakers, supported it; importers, meanwhile, saw the move as protectionist. Newly installed ACWA President Murray Finley, who replaced Jacob Potofsky upon his retirement in 1972, argued the devaluation illustrated the need for passage of Burke-Hartke: “It has become obvious that the band-aid solution to our monetary problems a year ago did not work,” he said. “All it did was to make easier the export of United States capital through multinationals.” Other unions who had sought import quotas, such as the International Union of Electrical, Radio, and Machine Workers, concurred with Finley.66

Later that month, Volcker – who negotiated the 10 percent devaluation – told the Senate Banking, Housing, and Urban Affairs Committee no further devaluation would be needed and that it was intended to improve the nation’s balance of payments for the time being. He urged against using devaluation as a repeated policy, even as he acknowledged the three devaluations of the 1971-73 period dealt with “imbalances that had been permitted to build up over a long period of time, stretching back for nearly two decades. Inevitably, the corrective

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65 Congressional Quarterly Almanac 1973, 93rd Congress, 1st Session 1973, vol. XXIX (Washington: Congressional Quarterly, 1974): 225-227. West Germany eventually accepted the 10 percent increase in the value of the deutsche mark, while Japan accepted a larger increase because it agreed not to devalue the yen by an equivalent amount and because it accepted an increase in the par value of its currency (the official value of the currency, as measured by the International Monetary Fund).

process, however essential, has been painful and temporarily unsettling. It is not a process to repeat.”67

The devaluation announcement and Nixon’s pursuit of a trade bill was part of a two-step approach by the administration to ease the nation’s trade and payments deficits. It sought a currency devaluation to even out the nation’s balance of payments with Japan and West Germany, believing such a move would eventually inflate prices and wages, stimulate demand for workers, and eventually reduce unemployment. Simultaneously, lower trade barriers could drive growth in American exports, reducing the nation’s overall balance of trade deficit.68

For the Nixon administration, a new trade bill would serve as part of a policy that he saw as producing growth by generating additional exports and creating more jobs. The need for authority to lower trade barriers would also help by making it easier for exports to find new markets; a revised tariff policy could give industries time to compete under temporary tariff raises, while workers that could not compete could get time to retrain for new careers under a revamped TAA. The policy could wind up benefiting workers, as well as industries, both exporters and those under challenge from imports, and it would likely help Nixon politically heading into the 1974 midterm elections. A revised trade policy would continue Nixon’s neo-mercantilist policies of the early 1970s, but it did not bode well for textiles and other industries facing stiff import competition. The domestic textile industry had undertaken a wave of modernization through the late 1960s, but they were now competing with

68 Ibid.
nations that had equally modern equipment as well as drastically low wages. Even if the Nixon administration’s tariff policy had been exercised as envisioned, domestic textile producers would likely have not been able to compete with their foreign counterparts. The only likely path out would have been a full-scale embrace of automation to the point that would have radically restructured the industry and left thousands of textile workers jobless as a result of technological upgrades rather than foreign competition.

In the week after Shultz’s announcement of a new trade bill, Nixon took his case for the legislation to the annual AFL-CIO convention in Florida in a push to win their support. The stop was the first for Nixon in his campaign for a trade bill, and also represented a gesture of respect to Meany and the federation for remaining neutral in the 1972 election. Meany indicated the AFL-CIO was open to amending Burke-Hartke to include some of Nixon’s proposals. But the chief industrial unions, including the TWUA, ACWA, UTWA, the USWA, the United Rubber Workers, and the electrical workers, still supported Burke-Hartke.69

On April 10, Nixon asked for broad authority to raise, lower, or eliminate tariff barriers to strengthen the bargaining position of U.S. representatives at the Tokyo Round of international trade negotiations under the auspices of GATT. To continue his campaign to increase exports, Nixon requested the authority to enter into new trade agreements that had expired six years earlier. He also wanted fast-track authority to negotiate agreements on nontariff barriers with other nations, in order to counter the proliferation of export subsidies, antidumping duties, quotas, and discriminatory bilateral agreements that had

69 Kraft, “A Cease-Fire With Labor?”; Shabecoff, “President Plans to Seek ‘Options’ in Trade Talks.”
proliferated since the conclusion of the Kennedy Round in 1967. In sending his Trade Reform Act of 1973 to Congress, Nixon said the bill “calls for the most important changes in more than a decade in America’s approach to world trade.”

Japan and the EEC would be the key targets of negotiations for the United States in the Tokyo Round, as they were the entities with which the U.S. trade deficit had increased most. In 1972, the trade deficit with Japan was nearly $4.1 billion, about two thirds of the entire trade deficit that year. In contrast, the United States had an annual surplus of $2.5 billion with the EEC each year between 1960 and 1965; by 1972, the U.S. balance of trade with the EEC showed a $600 million deficit. The U.S. also had a trade deficit with Canada, reaching $2.5 billion in 1972.

In his request, Nixon asked Congress to grant the executive branch five years’ authority to enter trade agreements, to continue or modify existing duties, impose additional duties, or continue existing tariff treatment. Unlike the authority granted in the RTAA and the Trade Expansion Act of 1962, which allowed tariff reductions of up to 50 percent from levels established by Smoot-Hawley and the RTAA, respectively, Nixon proposed the legislative branch could raise or lower tariff levels to whatever level was desired. Nixon also called for liberalizing eligibility criteria for TAA and easing import relief procedures.

Nixon’s proposal to reduce trade barriers, coming less than three years after he pledged to aid textile workers in their quest for import quotas,

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70 Congressional Quarterly Almanac, 1973: 834-835; 42-A.

71 Congressional Quarterly Almanac, 1973: 42-A.

particularly rankled George Meany. “The proposals provide no specific machinery to regulate the flood of imports and, indeed, some would increase the amount of damage to American employment and industrial production,” Meany retorted on April 11 when asked his response to Nixon’s introduction of the bill. Meany still supported Burke-Hartke, which would establish import quotas where import levels for 1974 could not exceed average annual import levels reached between 1965 and 1969. In future years, import levels could be adjusted up or down to maintain a ratio of imports to domestic goods at 1965-1969 levels.\textsuperscript{73}

Yet Meany’s indignation masked a growing realization that Burke-Hartke, the vehicle the AFL-CIO had developed in hopes of protecting industries through a combination of import quotas and tax restrictions on multinational corporations, was effectively dead. By the time Nixon introduced his bill, Wilbur Mills, the Ways and Means committee chairman who supported textile quotas in his 1970 effort to outflank Nixon, had resumed his longstanding support of trade liberalization. Mills embraced many of the president’s proposals in a March 21 speech to members of the House. In rejecting the broad, fixed quotas of Burke-Hartke, Mills instead vowed to push for presidential authority to raise or lower tariffs and impose quotas. He also vowed to support Nixon’s request for fast-track authority. Nixon’s visit to the AFL-CIO signaled his willingness to negotiate over legislation sought by labor, such as an increase in the minimum wage that had stalled out in Congress in 1972 and a revamped trade adjustment assistance program. The cost to the AFL-CIO, however, would be to drop Burke-Hartke in favor of Nixon’s trade bill, which the president preferred because of

\textsuperscript{73} Congressional Quarterly Almanac, 1973: 836.
the flexibility it granted the president to raise or lower tariffs and impose quotas without the rigidity of Burke-Hartke. While the president certainly had political goals in mind – notably, at least acquiring labor’s neutrality in the 1974 midterm elections – securing passage of the trade bill came first.74

The Nixon trade bill also proposed to revise laws dealing with foreign nations’ unfair trade practices and sought to change tax laws to offset existing incentives for U.S. corporations to build manufacturing plants overseas, including reducing a credit for foreign taxes paid by U.S. corporations. Over the years, U.S. corporations had collected a number of provisions in the tax code granting breaks for foreign expansion.

Business groups like the NAM, which were already opposed to Burke-Hartke, now began to push for the Trade Reform Act as well. The NAM seized on the testimony the AFL-CIO provided to the House Ways and Means Committee in the spring of 1973, when it declared the Trade Reform Act was worse than no bill at all. “Organized labor has already declared its active opposition to this legislation and will campaign against it in committees and on the House floor, seeking to kill the bill outright or substitute Burke-Hartke provisions for it,” a NAM official wrote in a memo urging the association’s legislative coordinators to seek “the largest possible favorable vote” on the trade bill in Ways and Means.75


75 Memo from Nicholas E. Hollis, National Association of Manufacturers, to Corporate Legislative Coordinators re: Trade Bill Action, September 28, 1973. NAM Papers, Accession 1411, Series IV, Box 22 (General Administration Files), Folder “Legislative Coordinator Correspondence,” HML.
House action on the Trade Reform Act moved more slowly than usual in the summer of 1973, amid continued economic stabilization efforts and the growing Watergate scandal. A NAM survey of the members of the political landscape facing the trade bill revealed a lack of in-depth support among industry and labor. Survey respondents demonstrated little, if any, understanding of how the trade bill would affect trade negotiations, dollar devaluations, or foreign policy issues. They also could not explain the difference between the trade bill and Burke-Hartke. In addition, congressional support for the trade bill was thin, prompting government officials to seek the business community’s support to get the measure passed.76

The negotiations with labor, Mills’ support of the Nixon trade bill, and the president’s characterization of the need for more trade agreements to increase U.S. exports galvanized support for the trade bill among the business community and Congress. It also spelled the end of the line for Burke-Hartke and its supporters’ hopes that reining in multinationals and imposing across-the-board import quotas could give import-sensitive U.S. industries like textiles more space to compete against imports. On July 16, Burke-Hartke died in the Ways and Means Committee when the committee defeated, 17-7, an amendment to add Burke-Hartke to the Nixon trade bill.77

With Burke-Hartke dead, the developing Watergate scandal, international events and commonplace legislative wrangling continued to slow the progress of


the Trade Reform Act. By the end of August 1973, the bill had stalled over disagreements on how to pay for an expanded TAA program and how much trade negotiation authority the executive branch should receive; labor opposition to the bill and Mills’ poor health also contributed to the delays.\textsuperscript{78}

By October, the House Rules Committee had cleared the bill for floor action, but votes on the trade bill were delayed three times by House leaders in October and November, at the request of the Nixon administration. The administration opposed language in the bill supported by Sen. Henry “Scoop” Jackson, a conservative Democrat from Washington state, and Rep. Charles A. Vanik, an Ohio Democrat, that blocked the Soviet Union from receiving most-favored-nation trading status unless it allowed Soviet Jews to emigrate to Israel. In addition, the administration feared the Jackson-Vanik amendment would complicate multilateral peace talks in the wake of the Yom Kippur War of October 1973. The Soviet Union was involved in those talks, and the Nixon administration did not want it passed as part of the trade bill at the same time the Soviets’ participation would be needed to ease tensions among Israel, Egypt, Syria, and other Middle East nations.\textsuperscript{79}

After Nixon asked the House to suspend floor debate and a final vote on the Trade Reform Act, a NAM official warned its legislative coordinators to watch for action from labor against the bill. “Organized labor, which has grown increasing[ly] hostile toward the Trade Bill, can be expected to intensify its


efforts to defeat this legislation,” the official wrote in his memo to coordinators.
In addition, a close vote in the House on the trade bill might revive Burke-Hartke
by encouraging its supporters to place the measure into the Senate version of the
trade bill. A delay in the bill could also jeopardize interest in multilateral trade
and monetary negotiations, and undermine efforts to develop “more effective
industry/government planning for trade talks;” nearly a month later, the NAM
official warned that labor was seeking to divide the trade bill’s supporting
coalition and deliver “no” votes from at least 40 percent of the House.80

By November, the House leadership was ready to proceed with the trade
bill. On December 11, 1973, the House passed the Trade Reform Act of 1973 by a
vote of 272-240. Republicans voted 160-19 for the bill, while Democrats opposed
it by a 112-121 margin. The floor debate on the bill was especially heated, with
opponents like Rep. Charles Dent – the Pennsylvania Democrat who in 1967 had
sought to link imports with the FLSA – noting the historic nature of the
opposition. Dent said the AFL-CIO had opposed the Trade Act because “the
labor movement, for the first time in its history since 1926, has decided that free
trade is not good for the American people.” He continued: “If this bill were good,
if it were to create jobs, would labor be against it today? They could not; they
would not. They know what they are doing.” Upon the bill’s passage, Dent
warned dire consequences. “They will either repeal it in the next five years or
this nation will become virtually dependent for its livelihood on foreign
products.” Burke, the namesake for the defeated import quota legislation,

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80 Memo from Nicholas E. Hollis, National Association of Manufacturers, to Corporate Legislative
Coordinators re: Trade Bill Postponement, November 9, 1973; Memo from Hollis to Corporate
Legislative Coordinators re: Trade Bill Vote; both in NAM Papers, Accession 1411, Series IV, Box
22 (General Administration Files), Folder “Legislative Coordinator Correspondence,” HML.
warned the Trade Act “would encourage the President to take almost any action he chooses to encourage manufactured imports and will... lead to the erosion of America’s industries.”

The House-passed trade bill started off slowly in the Senate in early 1974. During hearings, the ACWA characterized the Senate version as similar to the bill that passed the House in late December 1973. Because it contained no provisions to regulate either imports or multinational corporations, the measure was derided as “worse than no bill at all” by much of organized labor.

Meanwhile, the nation’s economic situation worsened in 1974, a tumultuous year dominated by the Watergate scandal and President Nixon’s resignation on August 9. The year, economically speaking, was particularly dismal for labor: while Nixon’s wage and price controls were lifted in April, double-digit inflation meant prices outstripped wages. Wages in the first year of major union contracts in 1974 increased 9.8 percent (compared to 5.8 percent in 1973), yet 1974 saw a record 9,500 strikes, with the largest ones coming in textiles, mining, shipbuilding, and the chemical industry. The Bureau of Labor Statistics found average worker compensation increased 8.7 percent in 1974, but when inflation was factored in, average compensation actually declined by 2.1 percent. It was the first such decline recorded by BLS since it began keeping statistics in 1947.

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82 “Trade Hearings Going On In Senate,” Amalgamated Action, April 1974. MSS1, Amalgamated Clothing Workers of America, Local 125 Papers, Box 11, Folder 40, SCUA-UMass.
There was one bright spot in the area of trade: international negotiators reached an agreement governing the international trade in man-made and woolen textiles. Following the bluntly negotiated bilateral agreements in 1971 by which Hong Kong, Japan, and South Korea agreed to voluntarily limit their wool and synthetic textile exports to the United States, Asian producers shifted their textile exports away from the United States and to Europe. In 1973, textile-producing nations embarked upon a new round of multilateral negotiations to govern the global wool and synthetic textile trade. The resulting agreement, formally called the Arrangement Regarding International Trade in Textiles but colloquially named the Multifiber Arrangement (MFA), finally extended the provisions of the 1962 LTA governing the cotton textile trade to wool and man-made fibers. The MFA restricted the growth of foreign textile imports in the United States to 6 percent a year, with a limit of 24 percent in any given year after borrowing quota amounts from other years. The MFA took effect in January 1974, after which the United States negotiated 18 bilateral agreements with textile-exporting nations by 1977 in an effort to control access to the U.S. market. But just as the LTA faltered in the mid-1960s at protecting the United States from cotton textile imports, the same fate befell the MFA as less developed nations continued developing textiles among their manufacturing sectors. Also, the MFA failed to satisfy nations that were net importers, who believed the agreement’s

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provisions to limit exports were too lenient. Conversely, exporting nations believed the same provisions limiting the growth of exports were too harsh.\textsuperscript{84}

Approval of the MFA was a bright spot in an otherwise gloomy domestic economic picture. Unemployment, which hovered around 5 percent during 1973 and the first half of 1974, rose to 7.2 percent by the end of the year as the economy entered a recession that threatened to be the deepest since the Great Depression. Unemployment by the end of 1974 touched 8.6 percent in the manufacturing sector, and 8.3 percent in the wholesale and retail trade sector. Financial and service jobs were somewhat insulated from the downturn, with 5.6 percent unemployment; the rate for white-collar workers was just 4.1 percent. The unemployment increase began in late summer, as Vice President Gerald R. Ford succeeded Nixon upon his resignation. In response to requests for relief from labor leaders, Ford released money to start a public service jobs program under the Comprehensive Employment & Training Act of 1973 (CETA).\textsuperscript{85}

Ford also quickly resolved the question involving the emigration of Soviet Jews to Israel, which had clouded a proposal to extend most-favored-nation trading status to the Soviet Union. On August 15, 1974, less than a week after assuming the presidency, Ford reached a compromise on the Jackson-Vanik amendment allowing the denial of most-favored-nation trading status to countries that did not allow Jews to emigrate.\textsuperscript{86} Details of the agreement would


\textsuperscript{85} Congressional Quarterly Almanac, 1974: 235-236.

\textsuperscript{86} Richard Lawrence, “Passage of Trade Reform Bill Likely; Major Hurdle Cleared,” Journal of Commerce, August 16, 1974.
be hammered out by late October: the Ford administration would allow the Jackson-Vanik amendment, which was especially popular in both houses of Congress and among supporters of Israel, to stand as part of the trade bill, while Secretary of State Henry Kissinger negotiated an agreement with Soviet Foreign Minister Andrei Gromyko to allow at least 60,000 Jews to emigrate from the Soviet Union. In exchange, Jackson and Vanik, meanwhile, would allow the trade bill to proceed in the Senate, and the Soviet Union would get its most-favored-nation trading status, a longtime goal of businesses that wanted access to the Soviet market.  

A Turning Point: Organized Labor in 1974

While 1974 revealed a dismal economic landscape for labor, its political fortunes were somewhat mixed. Labor did see gains at the ballot box in 1974; a concentrated political turnout campaign combined with dissatisfaction with the Watergate scandal and the economy to boost Democratic majorities in both houses of Congress. Organized labor also scored two significant legislative wins in that year. The first, a minimum wage increase, had died in Congress in 1972 and was vetoed by President Nixon the following year.  

In April 1974, however, 


Nixon signed a minimum wage increase into law that raised the minimum wage for farm workers and nonfarm workers to $2.30 an hour. The new law also added 7 million workers to minimum wage coverage, including domestic workers. In a bit of irony, the minimum wage increase was aided by the high inflation evident during 1974: during floor debate on the measure, members conceded inflation was already taking place. As a result, a higher minimum wage could offset the effects of inflation by narrowing the growing gap between wages and prices.89

On Labor Day, September 2, President Ford signed into law the Employee Retirement Income Security Act of 1974 (ERISA), the first federal effort to establish minimum standards for private pension plans. The measure was designed to protect the private pensions of 23 million workers. The product of seven years’ legislative work, unions and other supporters had fought for such protections in response to the loss of pensions at the hands of dishonest employers, as well as corporate bankruptcies and mergers. Under ERISA, a worker who was eligible for a pension would be guaranteed to receive the pension regardless of whether the worker stayed with the same company until retirement. The law also created the Pension Benefit Guaranty Corporation, a federal insurer of terminated pension plans. Labor had sought language in the bill making pensions “portable” – in other words, allowing workers to move their pension benefits to new employers when they changed jobs. But the proposal ran into opposition from business, and no portability provisions made it into law.

The lack of a portability clause meant workers could not move pensions from employer to employer when they changed jobs. It also meant that they had no control over any pension benefits under the control of their former employers, who might use the money for other purposes. In the case of North Carolina-based Cannon Mills, the pension money became a source of cash that David Murdock, who purchased the company in 1982, used to fund corporate takeovers. He later terminated the pension fund, replacing the deposits with annuities backed by junk bonds. When the insurer offering the annuities collapsed in 1991, thousands of workers took a 30 percent cut in their pensions. A pension portability provision in ERISA would have allowed workers at companies to move their pensions when they left, protecting their retirement funds while denying financiers a source of cash that made companies attractive for raiding in the era of corporate mergers that took place in the 1980s.\(^\text{90}\) In addition to the loss of the portability feature, ERISA took effect just as the nation’s manufacturing base was disappearing. Over time, the shrinking number of manufacturers, as well as companies’ increased use of bankruptcy as a way to shed their pension responsibilities, increasingly stressed the ERISA system.

Despite winning a higher minimum wage and securing coverage under the FLSA for 7 million workers, and gaining some measure of protection for 23

million private pensioners, the loss on the Trade Reform Act represented a symbolic setback. Just five years earlier, in 1969, the AFL-CIO finally began to question its decades-long support of trade liberalization, following decades of protest from workers and unions in industries that realized the costs, rather than the benefits, of global trade. The labor movement’s quest to challenge trade liberalization since then had gained attention, if not necessarily results. It had attempted to secure import quotas in the Mills Bill in 1970, in the vetoed minimum wage law in 1972, and in Burke-Hartke in 1972 and 1973. Now, unable to secure mandatory import quotas in the Trade Reform Act, the AFL-CIO ended its longstanding support of free trade and opposed the trade reform bill working its way through the Senate.

After passing the House in December 1973, the bill languished in the Senate Finance Committee through much of 1974 because of the dispute involving the Jackson-Vanik amendment. Over the course of the year, the AFL-CIO and textile unions opposed the bill because they felt it did not adequately protect U.S. manufacturing sector employment. Labor faced off against business and the Nixon and Ford administrations, which still needed authority to participate in the Tokyo Round of trade negotiations, scheduled to begin in February 1975.

Even after losing their best shot at protectionist legislation with the defeat of the Burke-Hartke bill, textile and apparel unions kept urging some degree of protection for their industries as the Jackson-Vanik dispute was resolved and the Trade Act moved slowly toward a vote in the Senate Finance Committee. As the

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trade reform bill approached the Senate floor in the waning months of 1974, organized labor attempted to return to its protest roots. Two days after the midterm elections, the AFL-CIO policy council declared that the Trade Act was “worse than no legislation at all” because of its failure to protect industries that were especially sensitive to imports.92 On Veterans’ Day, 1974, with the trade bill moving again in committee, more than 125,000 ACWA members walked off the job to protest imports, just as they had in the import campaigns of 1970 and 1971. In a pamphlet documenting the marches that took place nationwide that day, ACWA President Finley and Secretary-Treasurer Jacob Sheinkman outlined the workers’ motivations: “They were protesting short work weeks, reduced work days, lower earnings. They were protesting the growing number of plant closures and bankruptcies in their industries. They were protesting the loss of jobs when it is becoming more and more difficult to find a job.” The pamphlet outlined yet another resolution on imports passed by the ACWA in October 1974 decrying oil shocks, trade deficits, and multinational behaviors. It concluded with a call for ACWA members to urge the Ford administration to reject the trade bill and embrace more protectionist measures, a plea with which many members complied.93 Meanwhile, ACWA ran print advertisements under headlines that read “We’re worried about jobs in America!” and urged consumers not to buy imported apparel.94


93 Murray Finley and Jacob Sheinkman, ACWA Trade Act Pamphlet (1974), MSS1, Amalgamated Clothing Workers of America, Local 125 Papers, Box 9, Folder 3, SCUA-UMass.

94 “We’re Worried About Jobs In America!” (text of ACWA advertisement), MSS1, Amalgamated Clothing Workers of America, Local 125 Papers, Box 9, Folder 3, SCUA-UMass.
By 1974, having lost on Burke-Hartke in the House and Senate, ACWA was still holding out hope that its demonstrations would “awaken America to the disruption caused in the apparel industry by continuing low-wage imports from abroad.” It planned the Veterans’ Day campaign to place ACWA members in front of retail stores, where they would urge consumers to avoid buying imported clothing. Of specific interest was clothing from South Korea, which had replaced Japan as the nation’s largest single source of imported clothing. While the message of import competition and economic devastation was important, image and participation also mattered: “It is vitally important that Americans everywhere … are impressed with our unity and determination to guard our jobs and our standards from further deterioration from low-wage imports.”

Later that month, as the Trade Act approached debate on the floor of the Senate, organized labor was urging its members to contact their senators. “The message should be loud and clear: kill this bill as it stands, because it is a threat to American jobs, and Connecticut jobs in particular,” John J. Driscoll, the president of the Connecticut AFL-CIO, urged in a letter to state affiliates and union representatives. “If we do not stop it, this bill will further erode the jobs and industries already hit badly such as steel, apparel, chemical and allied products, rubber, shoes, stone, clay and glass, auto, aircraft, and electronics.” Driscoll said the U.S. Chamber of Commerce and multinational corporations were pushing for passage of the trade bill because it would protect the same corporations “which have already cost our country hundreds of thousands of jobs by their overseas operations”; likewise, giving the executive branch new

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95 Memorandum from Murray H. Finley and Jacob Sheinkman, Amalgamated Clothing Workers of America, to All Amalgamated Affiliates in the Apparel Industry, October 14, 1974. MSS1, Amalgamated Clothing Workers of America, Local 125 Papers, Box 10, Folder 20, SCUA-UMass.
power to lower tariffs would lead to more imports and “the continued bleeding of our American economy.” He scoffed at the liberalized standards to qualify for trade adjustment assistance, saying it was just unemployment for workers for jobs permanently lost to imports. “That amounts to a bandaid on a gaping wound,” he wrote. “The AFL-CIO regards this trade bill as worse than no legislation at all. … All told, over five million jobs have been lost to imports. And this bill would only increase imports.”

The efforts by labor and other trade bill opponents, hoping to force a reconsideration of trade liberalization, were for naught. With the Jackson-Vanik amendment and Jewish emigration issue resolved, the Trade Act faced a clearer path to passage after the midterm elections. On November 26, the Senate Finance Committee reported the Trade Act, but not before committee members weighed in with their concerns. Some felt that trade negotiations during the Kennedy Round had actually harmed the United States because those negotiations had failed to address “fundamental inequities in the world trading system.” The committee stressed that American negotiators, during the Tokyo Round, were to “obtain full reciprocity and equal competitive opportunities for U.S. commerce.” Because of the intense competition that now characterized world trade, the United States could “no longer afford to stand by and expose its markets, while other nations shelter their economies – often in violation of international

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96 Letter from John J. Driscoll, Connecticut State Labor Council, AFL-CIO, to all affiliates and union representatives re: trade bill, November 26, 1974. MSS1, Amalgamated Clothing Workers of America, Local 125 Papers, Box 10, Folder 20, SCUA-UMass.
agreements – with a host of other practices which effectively discriminate against U.S. trade and production.”

Ford continued to press the need for legislation. “We must pass the Trade Reform Act now,” he said in a December 3 speech to the American Conference on Trade. “It is essential to the future of the United States’ trade policy and that of the world as well. The health of our domestic economy and the strength, the very structure, of our international economic relations are involved.”

When the bill reached the Senate floor, the chamber added the Jackson-Vanik amendment and rejected a protectionist amendment, offered by Thomas J. McIntyre, a New Hampshire Democrat, which would have limited the president’s authority to reduce tariffs and duties. McIntyre had offered the amendment to provide a minimal level of protection for industries suffering from high import levels, like the New England footwear industry. Though McIntyre’s amendment lost, the Senate did approve on voice vote four amendments aimed at offering some minimal level of protection against imports, rather than import quotas. One such amendment came from John O. Pastore, the Rhode Island Democrat and expert on the textile industry whose 1958 hearings on the state of the industry led him to call for import quotas. Pastore’s amendment excluded a number of categories of goods from receiving duty-free treatment, including textiles and apparel, watches, footwear, some electronic and steel articles, and manufactured glass products. After surviving a cloture vote, the Senate then passed the bill on Dec. 13, 77-4. The handful of opposition from

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97 Congressional Quarterly Almanac, 1974: 555-556.
98 Congressional Quarterly Almanac, 1974: 555.
99 Congressional Quarterly Almanac, 1974: 559-560.
organized labor supporters and conservatives in the Senate was not enough to block the bill, and the lopsided vote hinted more at the timing of the vote (between a midterm election and the end of the congressional session) than anything else. Indeed, the successful cloture vote paved the way for the Trade Act to become law.¹⁰⁰

As was the case with his House counterpart, James Burke, Vance Hartke provided one of the “no” votes on the trade bill, alongside Democratic Sen. James Abourezk of South Dakota, the only Arab-American in the Senate, and Republican Sens. Jim McClure of Idaho and Lee Metcalf of Montana. Hartke said the Trade Reform Act endorsed “the same type of unchanged policies which have been a failure in the past” and listed nine shortcomings he found with the bill, including the failure to stop the “export” of American jobs, capital, and technology. “It is my belief that the present trade bill continues worn-out economic philosophy, and it is an element which is driving us fast down the highway toward the destruction of the western economic system,” he said.¹⁰¹

Six days later, a conference committee produced a compromise version between the House and Senate versions that gave the executive branch the authority for five years to enter trade agreements with other nations to reduce, adjust, or eliminate tariff and nontariff trade barriers. Instead of mandatory trade quotas, the bill required the president to impose temporary quotas and import surcharges for up to 150 days when the United States faced large balance of payments deficits with other nations. Conversely, when the United States faced


¹⁰¹Congressional Quarterly Almanac, 1974: 558.
experienced trade surpluses with other nations, the president would be required
to reduce tariffs by up to 5 percent or suspend other import restrictions. The bill
also included the president’s special representative for trade negotiations (a
position originally created in the Trade Expansion Act of 1962) within the
president’s cabinet and gave it responsibility to handle trade agreements.
Furthermore, the Trade Act reorganized and renamed the Tariff Commission as
the U.S. International Trade Commission (ITC). It also relaxed the TAA eligibility
criteria for workers and industries, allowing the ITC to determine whether
import competition comprised a “substantial” cause of injury to firms or
workers, allowing more workers and firms to qualify for assistance.102

The conference report returned to both houses of Congress on December
20, where the House approved it, 323-36, and the Senate cleared the report for
Ford’s signature, 72-4. One of the votes for the trade bill came from
Massachusetts Sen. Edward Kennedy, whose brother had transitioned from
protecting industries to promoting greater trade liberalization in his time in
Congress and the White House. Ford signed the bill into law on January 3, 1975.

The Trade Reform Act had appeared to be the conclusion of an initial
salvo by the United States’ organized labor movement in its quest to make trade
work for its members who were concerned that imports would eliminate their
industries. In the case of textile unions, which would continue to press for
protections against imports, their activism would never again reach the levels it
attained in the 1969-74 period, as their numbers would steadily decline and as

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102 Congressional Quarterly Almanac, 1974: 554-555; Marilyn Berger, “Hill Panel Agrees On Trade
Powers,” The Washington Post, September 15, 1973. President Carter renamed the position of
special representative for trade negotiations the United States trade representative (USTR) under
a 1979 reorganization and Executive Order 12188 in 1980. See Office of the United States Trade
Representative, “History of the United States Trade Representative” (https://ustr.gov/about-
us/history; accessed April 2, 2016).
their political influence continued to wane. The efforts of the ACWA, UTWA, ILGWU, and TWUA, however disjointed and lacking in uniformity, did indeed reflect a growing concern among individual textile and garment workers that the postwar era of prosperity was quickly coming to a sudden end, trapping millions of Americans without a secure economic footing.

As was the case in the late 1930s, when laborers hoping to hold on in the depths of the Great Depression opposed Cordell Hull’s crowning accomplishment of a trade agreement with Great Britain under the RTAA, laborers saw in world trade in the 1960s and 1970s a threat of imports undercutting the tenuous gains that industrial workers had made in the intervening decades. While union leaders of the 1930s, occupied with establishing a broad industrial union movement, showed little concern about trade, their counterparts in the 1970s were well versed in recognizing the costs of the activities of multinational corporations, expanded international trade, and capital mobility.

Organized labor in both periods had shown it could secure some form of broad-based – if at times minimal – economic security. In 1938, their success came with the passage of the FLSA, incorporating minimum wages and the eight-hour day that had been a goal of organized labor in the United States since the 1860s. In 1974, labor won an increase in the minimum wage (despite the severe recession that year and the failure of all wages to keep up with double-digit inflation) and its extension to 7 million more workers, including domestics. In the passage of ERISA, organized labor helped secure federal pension protections for 23 million American workers. The successes of 1974 were overshadowed in time by the defeat of organized labor’s bid to create a managed
trade regime that tightly weaved worker protections and trade liberalization together to protect American jobs and industries from foreign import competition. In the case of U.S. textiles and apparel, which would lose nearly 2 million jobs between 1973 and the end of the Great Recession in 2009, labor’s skepticism toward the aims and benefits of free trade failed to produce industry protections or an adequate response to the effects of trade in a global environment. Although labor, led by the textile and garment unions, increasingly questioned the benefits of trade in the years between 1969 and 1974, unions could not defeat the forces of capital or of lawmakers who were committed to trade liberalization.

Textile unions had begun raising the issue of import competition in the early 1950s, but organized labor as a whole had been slow to awaken to the perils of trade liberalization. This was caused, in part, by the views of labor and other constituencies that trade liberalization was a central economic weapon the United States could use in the Cold War. By the late 1960s, as more American industrial sectors were similarly facing competition from imports, organized labor finally realized that trade liberalization did have a down side. But the labor movement, by that point, was no longer strong enough to sway Congress or presidential administrations, which by the 1970s saw expanded trade as part of a neo-mercantilist domestic economy driven by exports. They had powerful allies in business, such as multinational corporations, who were opposed to labor’s critique of a trade liberalization policy that shed domestic manufacturing jobs.

As this chapter has shown, labor’s policy effort to create a managed trade regime between 1969 and 1974 went down to defeat. That defeat did not just decimate the fabric consisting of worker security and trade liberalization that
was flawed from its very creation in the 1930s. Labor’s losses on the Mills Bill, Burke-Hartke, and the Trade Act of 1974 heralded the unraveling of the New Deal Order itself – a development that labor and other constituencies within that political order would continue to grapple with.
CONCLUSION
The Collapse Unfolds

By 1974, the nation’s textile unions, with the aid of other unions in import-sensitive industries, had convinced most of the American labor movement about the harm of imports and lowered trade barriers on American manufacturing jobs, the vitality of communities, and the nation’s trade balance. The unions’ efforts to educate the general public about these dangers through informational pickets, protests, and lobbying – for import quotas through the Mills Bill of 1970 and the Burke-Hartke Bill in 1972 and 1973, then against further rounds of trade liberalization made possible through the Trade Act of 1974 – made trade and industrial decline an increasingly important issue in American politics.

For the nation’s textile industry, however, these efforts came too late to reverse a downward trend that was decades in the making. Between 1974 and 2016, textile and apparel employment in the United States would drop by 85 percent.¹ A big reason for the loss of jobs in the industry, in the eyes of longtime ILGWU lobbyist Evelyn Dubrow, came from the failure of international trade agreements like the Multifiber Arrangement (MFA) to protect American textile jobs. The MFA, in effect between 1974 and 2004, was an international arrangement among textile- and garment-producing nations intended to limit exports of textiles and apparel from developing nations to developed nations, in the hopes that developed nations with more mature textile sectors could adjust to

import competition. But nations could not adequately police trade patterns as originally hoped. The MFA restricted the growth of foreign textile imports in the United States to 6 percent a year, with a limit of 24 percent in any given year after borrowing quota amounts from other years. Although dozens of nations were covered by the MFA, it left out some textile producing nations like China, as well as portions of Latin America. Its failure to later incorporate these nations doomed the MFA. Meanwhile, participating nations used loopholes to get around the clause limiting import growth to 6 percent.\(^2\) Despite the MFA and other attempts to manage the international textile trade, the dollar value of textile imports to the United States increased 428 percent between 1965 and 1984 (from $795 million to $4.2 billion). Imports over that period grew at an annual rate of between 7 percent and 10 percent, far outstripping the 2 to 3 percent growth in U.S. consumer demand for textiles.\(^3\)

While textile imports grew rapidly, the U.S. textile industry hurt itself through its failure to export its products, except during economic slowdowns when the domestic market was less able to absorb the industry’s output. When American firms made no sustained effort to increase their exports, depriving potential foreign buyers of the opportunity to develop long-term relationships with American textile firms, foreign producers stepped into the void, developing


bonds with these buyers even as they also set their sights on the United States as an export market.\textsuperscript{4}

International competition, new technologies, new production methods, and marketing methods all posed steep challenges to the domestic textile industry. In a move reminiscent of their plight in the 1930s, manufacturers began to increase production in the hopes that economies of scale could keep them competitive. But increased production could not keep pace with changing market demands or the lower wages offered abroad. This led to more plant closings, reduced production, and automation, further weakening the industry.\textsuperscript{5}

As the U.S. textile industry continued its decline, the unions representing textile and garment workers were also forced to shift in an effort to remain relevant. In 1976, the TWUA and ACWA, under the leadership of presidents Sol Stetin and Murray Finley (who replaced Pollock and Potofsky, respectively, in 1972), concluded more than a year of negotiations with a merger that created the Amalgamated Clothing and Textile Workers Union (ACTWU).\textsuperscript{6} The new union’s signature act in its early years was a campaign to win union representation for workers at J. P. Stevens & Company – a campaign that included organizing drives, product boycotts, and other efforts intended to provoke or shame anyone connected with the textile giant. The campaign also inspired an Oscar-winning movie, \textit{Norma Rae} (1979), loosely based on the story of Crystal Lee Sutton, a J. P.


Stevens worker in Roanoke Rapids, North Carolina, who was arrested and fired for her attempts to help organize her fellow workers. The campaign culminated in a 1980 settlement in which the union won bargaining rights at plants it had organized in exchange for ACTWU dropping its boycott against Stevens.\(^7\) Yet at the moment organized labor had finally cracked the doors of one of the South’s largest textile manufacturers, inspiring organizing efforts at other southern textile companies, the industry was falling more precipitously into decline. Against this backdrop, ACTWU continued to press for protection against imports, alerting the public to the continued deterioration of the nation’s textile industry at the hand of import competition.\(^8\)

The revival and limited success of ACTWU in organizing in the South represented a tragic irony for the industry. From the 1940s through the 1960s, with the textile industry in a position of relative strength, its executives had succeeded in keeping labor out, often with the use of appeals to jingoism or racial, ethnic, and religious bias. But this was a short-lived, Pyrrhic victory. While keeping unions out, textile executives also denied themselves the opportunity to ally with a powerful constituency within the New Deal political coalition whose partnership might have helped the industry win a more favorable trade regime. Shunning labor also thwarted the development of an independent worker voice – one that could have joined with labor officials, textile executives, their counterparts in other, similarly affected industries, and politicians at all levels who were concerned about the effects of imports on

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\(^8\) Daniel, *Culture of Misfortune*, 278-279; Minchin, *Don’t Sleep with Stevens!* : 179-184.
workers, industries, and local economies. A labor-management coalition teaming up to address the issue of import competition in the 1940s and 1950s, when textile labor began to notice increases in wool and cotton imports (and paired with the textile industry’s knowledge of import competition going back to the 1930s), might have won broad-based support that could have yielded results long before the Kennedy administration embarked on its ultimately inadequate seven-point plan.

Furthermore, by keeping unions out of their southern plants, the textile industry also denied the ACWA, ILGWU, TWUA, and UTWA a stronger voice within the AFL-CIO and in counterpoint to unions that favored further trade liberalization. Had textile unions been able to organize and form a powerful base within the southern branch of the industry, they might have brought enough pressure to bear on the labor movement that it would have been forced to address import competition earlier than 1969, when the AFL-CIO first began to seriously question its decades-long support of trade liberalization.

Finally, by shutting unions out, textile officials effectively prevented labor from massing enough power within the New Deal coalition to influence the nation’s trade policy in ways that could have better protected workers’ interests. This could have been achieved by pushing the Democratic Party to address import competition, Nixon’s wage and price controls, and unemployment issues in George McGovern’s 1972 presidential campaign. Instead, that campaign eschewed economic issues and focused on the Vietnam war, lost the support of organized labor, and embarked on a disastrously futile attempt to win the “disaffected Americans” who had turned to George Wallace in 1968 – all without
offering an economic program that might have addressed the fears that were motivating those voters.\(^9\)

The textile unions’ foray into the South between the 1970s and the end of the twentieth century attempted to instill hope among workers that better pay and working conditions were finally within reach. The continuous erosion of textile employment in the region, however, undercut those hopes. That textile jobs began to disappear just as African Americans were beginning to get access to them, thanks to Title VII of the Civil Rights Act, was a particularly cruel twist of fate. Black workers often proved more willing to organize than whites, but the continuous loss of textile jobs strengthened the hands of employers who resisted unionization, for many workers – black or white – who might have favored organizing began to worry that the arrival of a union would trigger the closure of their mill.

Although they continued to fight in the workplace, organized labor and the textile industry cooperated in their battles to protect textile jobs from the 1970s into the 1990s, as the industry’s decline proceeded. The decline of the industry prompted a succession of unsuccessful efforts to enact protectionist measures.

As had been the case in the 1950s, when its newly reconstituted textile industry began to pose a threat to the United States, Japan continued to generate worries among textile observers in the 1960s and 1970s, even as the industry developed in other parts of Asia and Latin America. A 1978 measure in Congress, sponsored by South Carolina Senator Ernest F. Hollings, aimed to

exempt the industry from upcoming tariff reductions, but President Jimmy Carter vetoed the bill, fearing the potential for international trade retaliation. The veto of this bill, along with the administration’s failure to secure passage over a Senate filibuster of a 1978 labor law reform bill and its embrace of deregulation for the nation’s airlines and trucking industry, all combined to demonstrate the continued attractiveness of trade liberalization to the Democratic Party’s elite. These actions also signaled the party’s continued retreat from organized labor and embrace of neoliberal economic policies.10

In the early 1980s, the nation’s economic downturn hit the textile industry especially hard, triggering new rounds of plant closings, layoffs, and short workweeks for many workers who remained employed. In early 1983, the industry’s unemployment rate in places like North Carolina reached as high as 16 percent. Industry executives pressed for protectionist measures, arguing that American workers could not compete with foreign counterparts earning as little as 20 cents an hour. Unions and textile manufacturers put aside some of their longstanding grudges around the efforts to organize textile workers and joined forces on the issue of import competition, in the process exceeding the degree of collaboration evident during execution of the Kennedy administration’s seven-point plan. Working within the Fiber, Fabric, and Apparel Coalition for Trade (FFACT), which was founded in 1985, the coalition won congressional passage of bills in 1985 and 1987 that would limit increases of textile imports. President Ronald Reagan – who, like Kennedy and Nixon, had courted the support of

southern politicians and textile manufacturers in his campaigns, yet did not pledge to protect the industry as they had – vetoed both bills citing opposition from retailers, consumer groups, and exporters and fears that import controls would anger trading partners or raise consumer prices.\textsuperscript{11} Reagan’s vetoes demonstrated his devotion to free trade to accompany a continued lack of concern for worker security: his firing of 11,000 air traffic controllers in 1981 effectively transformed labor-management relations, removing the strike as a weapon for workers while encouraging employers to expand their use of lockouts or replacement workers to thwart potential labor confrontations.\textsuperscript{12}

Reagan’s vetoes were not the only signs of trouble for the textile industry. In 1987, Congress released a report noting the continued development of a global textile industry that would only intensify competition and harm textiles in nations like the United States. In such nations, the textile industry had matured, wages were comparatively higher, and manufacturers had not modernized as quickly as their low-cost foreign counterparts.\textsuperscript{13} Undaunted by Reagan’s vetoes, FFACT mounted a third effort in 1990 to pass textile import quota legislation. It had similar results: the bill passed Congress only to be vetoed by President George H. W. Bush.\textsuperscript{14}

\textsuperscript{11} Minchin, “Decline of the Textile and Apparel Industry,” 263-264.

\textsuperscript{12} For more on President Reagan’s firing of striking members of the Professional Air Traffic Controllers’ Organization (PATCO), as well as the history of PATCO, and the effect of the strike on U.S. labor relations, see Joseph A. McCartin, Collision Course: Ronald Reagan, the Air Traffic Controllers, and the Strike that Changed America (New York: Oxford University Press, 2011): 328-358.


\textsuperscript{14} Minchin, “Decline of the Textile and Apparel Industry,” 264-265.
As American textile unions and manufacturers sought to protect their industry from import competition in the 1980s, the MFA struggled to keep pace with the changing international textile market. The developed nations whose textile industries were under assault from imports continued to consider its provisions too lenient; textile-exporting nations hoping to expand their industrial sectors continued to believe the same provisions were too harsh. Finally, during the Uruguay Round of trade negotiations between 1986 and 1994, the MFA was officially replaced. In December 1993, nations participating in GATT agreed to end the MFA by phasing out all trade barriers in the textile industry, including import quotas, by 2005. The agreement, known as the World Trade Organization Agreement on Textiles and Clothing (ATC), called for reducing tariff levels by 51 percentage points in three phases between 1997 and 2004, with all remaining tariffs to be phased out by the start of 2005. The World Trade Organization (WTO), which succeeded GATT at the end of the Uruguay Round, monitored the agreement.\textsuperscript{15}

As the creation of the WTO and ratification of the ATC took place in 1995 – one year after the North American Free Trade Agreement (NAFTA) took effect – beleaguered U.S. textile unions engaged in another round of mergers in an effort to remain viable. The UTWA merged with the United Food and Commercial Workers Union (UFCW) in 1994. A year later, ACTWU and the

ILGWU merged to create the Union of Needletrades, Industrial, and Textile Employees (UNITE).\(^\text{16}\)

The decision to end the MFA and create the ATC for the international textile trade was overshadowed in the United States by NAFTA’s implementation on January 1, 1994, creating a free-trade zone encompassing Canada, the United States, and Mexico. The agreement, originally negotiated as an extension of a U.S.-Canada trade pact in 1991 to include Mexico, was a topic of fierce debate in the U.S. presidential campaign of 1992 and faced bitter opposition from labor, especially in the textile industry; opponents worried whether Mexico could be integrated into the existing free trade zone without further harming American industries. Congress, at the urging of President Bill Clinton and after the addition of several “side agreements” dealing with issues including labor rights and environmental protections, ratified the agreement in 1993 after a bitter campaign.\(^\text{17}\) The battle over NAFTA, while a triumph for the supporters of free trade and the opponents of protectionism, was a defining moment for Clinton’s presidency. The ascendance of the New Right to power with Ronald Reagan’s election in 1980 marked the end of the New Deal Order. For the various constituencies of that order, the electoral triumphs of Reagan and George H. W. Bush (who negotiated NAFTA with Mexican President Carlos Salinas de Gortari and Canadian Prime Minister Brian Mulroney) forced the

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\(^{16}\) Daniel, *Culture of Misfortune*, 279. UNITE would merge yet again in 2004 with the Hotel Employees and Restaurant Employees International Union, whose history extended back to 1891, to form UNITE HERE.

Democratic Party in the late 1980s and early 1990s to reexamine its aims and goals as a means of returning to power. Clinton fit the bill the party sought: he embraced the trade-liberalization-as-a-path-to-prosperity approach that had been pioneered by the New Deal’s RTAA. Clinton, however, demonstrated far less commitment to the promotion of worker security than had Roosevelt. With the exception of John F. Kennedy’s brief efforts to stabilize the textile industry in the early 1960s, the Democratic Party had continued to embrace trade liberalization even as worker security diminished and the ability of workers to act collectively was undermined. By the 1990s, no one in the nation’s political elite was prepared to make further liberalization of trade conditional on the protection of U.S. workers’ standards of living or their ability to organize to protect their interests. Democratic Party elites instead cast their fortunes with the high-tech and professional workers they believed constituted the party’s future. The only significant commitment to workers’ security in this period would be a 1988 law, the Worker Adjustment and Retraining Notification (WARN) Act, which required only a 60-day advance notice of plant closings or layoffs, but that did nothing at all to prevent those plant closings.18

Such closings cascaded through the textile industry in the 1990s and the early twenty-first century. While NAFTA opened up Mexico as a tariff-free trading partner, the ATC accelerated the pace of change in the global textile trade, allowing lower-cost nations to take full advantage of the elimination of tariffs. As the ATC’s 2005 phase-out date for textile tariffs approached, other nations began to liberalize their textile trade. The American textile industry was

particularly vulnerable to this new environment. Situated in a mature market and competing with textile sectors in low-wage nations that offset American advantages in quality and productivity with lower wages and better technology, the domestic textile industry collapsed between 1995 and 2005. While this collapse is popularly linked to the ratification of NAFTA, the ATC offers the truer explanation. As Congress had noted in its 1987 report, low-wage producers and emerging textile and apparel sectors were already challenging mature sectors in nations like the United States; the ATC only accelerated that process by encouraging numerous low-wage nations to modernize their textile sectors and trade with developed countries.

The decline in American textile and clothing production coincided with China’s rise to become the world’s largest exporter of textiles and clothing by 2003. In the five years ending in 2005, China’s textile and clothing exports to the United States grew from $8 billion to $19 billion; its share of American textile and clothing imports grew in that period from 11 percent to 25 percent. In the first year after the MFA restrictions were phased out, China’s textile and clothing exports to the United States increased another 50 percent, prompting textile manufacturers to call for, and President George W. Bush to institute, a three-year agreement in 2005 that imposed limits on textile and apparel exports to the United States.

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19 Audet and Safadi, eds., A New World Map in Textiles and Clothing, 93-94.


The collapse of the American textile and apparel industry in the late twentieth and early twenty-first centuries, now gaining the renewed attention of historians, marks a key economic development in the United States. Textiles and apparel had been a source of employment for millions of American manufacturing workers in small towns and medium-sized cities nationwide into the 1980s. Its virtual disappearance in the years since 1974, the final year covered by this dissertation, stands as one of the most significant economic shifts of a period in which the United States traded swaths of its manufacturing heritage for the futuristic promises of a post-industrial, technologically advanced age – an age marked by capital flight as well as the building of wealth through the creation and trade of increasingly complex financial instruments than by the manufacture and sale of goods. At the very least, in the study of deindustrialization, the decline of the textile and apparel industry ranks alongside declines in the nation’s auto, steel, and mining industries for the depth of its impact on the United States.

As this dissertation has made clear, the tragic story of the disappearance of an American industry that was almost as old as the republic itself, without any sustained effort to either salvage that industry or ensure that its lost jobs were replaced by equally remunerative alternatives, was made possible because capital, abetted by a mixture of unwillingness and incapacity from the federal government, succeeded in silencing the voice of workers. Because textile workers lacked a strong, independent institutional voice their interests were marginalized or ignored. Politicians of both parties pursued trade liberalization that took those workers’ jobs, while offering little to help those workers deal with the insecurity and downward mobility they experienced as a result.
Since 1934 the nation had pursued a trade liberalization policy that envisioned stronger international ties and mutual prosperity at home and abroad and saw trade liberalization as a tool for the executive branch to use in pursuit of its foreign policy goals. In the 1930s, Cordell Hull used trade policy as a tool to promote international peace and economic stability and forestall war. After World War II, trade policy was used as a means of thwarting communism. By the late 1960s, trade policy was pressed into service to preserve a model of international trade designed to reward multinational corporations who could shift manufacturing facilities and jobs overseas. But as successive administrations relentlessly pursued trade liberalization, the nation’s commitment to promoting worker security and voice, a commitment that has been every bit as central to the New Deal’s approach as trade liberalization had been, waned.

The labor movement itself was not blameless in this process. Its inability to overcome its own factionalism hampered the textile workers’ cause and its staunch support of U.S. foreign policy during the Cold War blinded it for too long to the mounting costs of trade liberalization. In the years covered by this dissertation the movement had helped win greater security for American workers, from the passage of the Social Security Act in 1935 and the Fair Labor Standards Act in 1938 through the expansion of Social Security and minimum wage protections and the enactment of the Employee Retirement Income Security Act in 1974. But the security workers obtained from these policy interventions was undermined by an approach to trade liberalization that the labor movement as a whole was too slow to grasp.

Union leaders could have acted sooner. Some textile workers had called attention to the problems posed by trade liberalization as early as the 1930s, as
this dissertation shows. But the labor movement as a whole failed to act until 1969, when the U.S. textile industry’s balance of trade with the rest of the world had been in deficit for a decade and exceeded $1 billion per year. By the time organized labor began grappling head-on with the unraveling of the once intertwined promises of trade liberalization and worker security, the domestic textile industry’s days were numbered.

In the end, though, the textile industry’s leaders must shoulder most of the blame for their industry’s collapse. Their successful effort to block mass organizing in the South, an effort that deprived manufacturers of a future ally in the fight against imports, and their continual refusal to collaborate earlier with textile unions on efforts to address import competition sealed the textile industry’s fate.

There is no way to know whether labor, capital, or the state could have done any single thing to help the textile industry at least avoid its precipitous decline. But one thing is clear: changing the outcomes described here would have required fundamentally altering the approach that was first shaped in the New Deal era. That approach saw the government attempt to simultaneously advance both worker security and trade liberalization policies. As it pursued these goals, the government failed to adequately guarantee worker empowerment or to condition the pursuit of trade liberalization on the preservation of the economic security of the American worker. From the start, there was no political will to create a system that protected workers’ interests as much as it promoted trade liberalization.

A fundamentally different system in which labor, capital, and the state cooperated to preserve workers’ rights and expand trade might have yielded a
different result for the textile industry, organized labor, and the nation as a whole. Instead of passing a series of closed mills in struggling communities along the route of the train ride described in my introduction, I could have witnessed open, bustling communities that offered workers jobs with living wages and secure benefits. Many fewer of those jobs might have been in modernized textile mills, but a different system might have led to economic adjustments that retooled closed textile mills and offered jobs for displaced workers that were better than the jobs that left.

Instead, the choices that were made over the course of decades unraveled the warp of worker voice and security from the woof of trade liberalization, placing the nation’s garment industry and the textile mills of New England, the Middle Atlantic, and the South alongside their better-known counterparts, the auto assembly plants and steel mills that followed textiles and apparel into decline, thereby introducing the nation to the concept of deindustrialization. The fraying social fabric that accompanied the decline of the domestic textile industry represented a harbinger of the neoliberal dystopia that, since the 1970s, has increasingly skewed the American economy toward the wealthy as manufacturing shrank, unions and worker bargaining power were weakened, and the overall health of the nation’s democracy declined.
APPENDIX: Number of U.S. Textile and Apparel Employees, 1933-1976*

<table>
<thead>
<tr>
<th>Year</th>
<th>Employees (Textile)</th>
<th>Employees (Apparel)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1933</td>
<td>na</td>
<td>na</td>
<td>1,474,325</td>
</tr>
<tr>
<td>1934</td>
<td>na</td>
<td>na</td>
<td>1,687,737</td>
</tr>
<tr>
<td>1935</td>
<td>na</td>
<td>na</td>
<td>1,814,387</td>
</tr>
<tr>
<td>1936</td>
<td>na</td>
<td>na</td>
<td>2,313,963</td>
</tr>
<tr>
<td>1937</td>
<td>1,232,293</td>
<td>1,081,670</td>
<td>2,313,963</td>
</tr>
<tr>
<td>1938</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>1939</td>
<td>1,169,812</td>
<td>1,160,808</td>
<td>2,330,620</td>
</tr>
<tr>
<td>1940</td>
<td>1,245,152</td>
<td>1,150,624</td>
<td>2,395,776</td>
</tr>
<tr>
<td>1941</td>
<td>1,195,354</td>
<td>1,123,171</td>
<td>2,318,525</td>
</tr>
<tr>
<td>1942</td>
<td>1,134,680</td>
<td>1,142,655</td>
<td>2,277,335</td>
</tr>
<tr>
<td>1943</td>
<td>1,158,471</td>
<td>1,227,161</td>
<td>2,385,632</td>
</tr>
<tr>
<td>1944</td>
<td>1,037,440</td>
<td>1,190,064</td>
<td>2,227,504</td>
</tr>
<tr>
<td>1945</td>
<td>1,058,807</td>
<td>1,248,354</td>
<td>2,307,161</td>
</tr>
<tr>
<td>1946</td>
<td>1,043,752</td>
<td>1,271,241</td>
<td>2,314,993</td>
</tr>
<tr>
<td>1947</td>
<td>988,951</td>
<td>1,264,308</td>
<td>2,233,259</td>
</tr>
<tr>
<td>1948</td>
<td>901,677</td>
<td>1,182,306</td>
<td>2,083,983</td>
</tr>
<tr>
<td>1949</td>
<td>928,780</td>
<td>1,238,284</td>
<td>2,167,064</td>
</tr>
<tr>
<td>1950</td>
<td>898,810</td>
<td>1,244,480</td>
<td>2,143,290</td>
</tr>
<tr>
<td>1951</td>
<td>874,214</td>
<td>1,215,249</td>
<td>2,089,463</td>
</tr>
<tr>
<td>1952</td>
<td>878,372</td>
<td>1,236,566</td>
<td>2,114,938</td>
</tr>
<tr>
<td>1953</td>
<td>863,246</td>
<td>1,279,534</td>
<td>2,142,780</td>
</tr>
<tr>
<td>1954</td>
<td>875,505</td>
<td>1,302,825</td>
<td>2,178,330</td>
</tr>
<tr>
<td>1955</td>
<td>893,565</td>
<td>1,335,187</td>
<td>2,228,752</td>
</tr>
<tr>
<td>1956</td>
<td>927,339</td>
<td>1,359,833</td>
<td>2,287,172</td>
</tr>
<tr>
<td>1957</td>
<td>929,000</td>
<td>1,356,700</td>
<td>2,285,700</td>
</tr>
<tr>
<td>1958</td>
<td>959,100</td>
<td>1,356,000</td>
<td>2,315,100</td>
</tr>
<tr>
<td>1959</td>
<td>968,400</td>
<td>1,381,100</td>
<td>2,349,500</td>
</tr>
<tr>
<td>1960</td>
<td>924,500</td>
<td>1,341,400</td>
<td>2,265,900</td>
</tr>
<tr>
<td>1961</td>
<td>906,800</td>
<td>1,318,800</td>
<td>2,225,600</td>
</tr>
<tr>
<td>1962</td>
<td>952,700</td>
<td>1,368,300</td>
<td>2,321,000</td>
</tr>
<tr>
<td>1963</td>
<td>980,200</td>
<td>1,400,200</td>
<td>2,380,400</td>
</tr>
<tr>
<td>1964</td>
<td>932,600</td>
<td>1,317,300</td>
<td>2,249,900</td>
</tr>
<tr>
<td>1965</td>
<td>835,000</td>
<td>1,214,300</td>
<td>2,049,300</td>
</tr>
<tr>
<td>1966</td>
<td>875,800</td>
<td>1,270,600</td>
<td>2,146,400</td>
</tr>
</tbody>
</table>

*Figures for textile and apparel workers were not kept between 1939 and 1946.

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