FALL RIVER AND THE DECLINE OF THE NEW ENGLAND TEXTILE INDUSTRY, 1949-1954

Bruce Saxon

The New England Textile industry suffered a severe decline from 1949 to 1954. During this period nearly 200 mills were shut down; many others drastically reduced their scale of operations. As a result, over 100,000 mill workers -- forty percent of all textile employees in the area -- lost their jobs.[1] Not surprisingly, scores of communities dependent on the industry for jobs and taxes were affected. The textile industry had experienced vast changes within a relatively short period of time. Foremost among these changes was the emergence of "integrated" firms since 1939. Before World War II the textile industry was generally divided among hundreds of small companies specializing in spinning, weaving, bleaching, and dyeing. When the war began, fabric became very scarce while profits from textile sales rose sharply. Between 1939 and 1943 average profits for converters, for example, were 950 percent. In order to ensure themselves a steady supply of fabric, converters, wholesalers, and retailers began to buy up mills. Those companies that chose to expand during the war could do so only by acquiring other mills because of the shortage of equipment, government limitations on construction, and the high cost of new construction. In addition, the higher profits that textile companies enjoyed during this period meant higher taxes. Some firms acquired mills in order to have a higher basis for calculating their excess profit tax. Other companies sold their mills in order to pay a lower capital gains tax. The results of all this buying and selling was impressive. During the war, plant valuation rose 250 percent. Between 1939 and 1945, twenty-five percent of all textile equipment changed hands. Before 1939, integrated firms represented twenty-five percent of the industry; by 1945 they accounted for seventy-five percent.

After the war, profits increased. The end of price controls, the abolition of the excess profit tax, the relaxation of export controls, and rising consumer demand, all created a new boom time for the industry. Between 1946 and 1948, the average profit rate for textiles was double that of other manufactured products. During this

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1. Progress Report of the New England Textile Committee to New England Governors (Boston, 1954), p. 75.

time, seven major price increases took place. In 1946 alone, Dan River Mills had a profit of 669 percent, Bates Manufacturing Company 468 percent, and Cannon Mills 459 percent above the previous year.[2]

Integration in textiles also increased after the war. The *New York Times* of October 12, 1945, reported, for example, the consolidation of fourteen mills in the south to form a single corporation whose combined assets were fifty million dollars.[3] *Business Week* of July 8, 1946, reported that twelve mills in North and South Carolina had combined with a string of New England woolen mills.[4] Many of the integrated firms were companies based in the north that had bought southern mills. From 1943 to 1946, seventy-two such sales were made, and between 1946 and 1948, 113 southern mills were bought by northern capital. By 1946, over one-third of southern spindles were controlled by northern manufacturers -- three times the number in the 1930s.[5]

The south had distinct advantages for northern manufacturers, particularly with regards to the labor markets. In the north, manufacturers had to pay wages comparable to those in other industries. In the south, agriculture was the basis of the economy and very little industry existed; southern workers had few other job opportunities and consequently wages were low. In fact, the textile industry accounted for over half of all manufacturing in seven southern states.[6] Furthermore, the mechanization of cotton picking, together with the decline of sharecropping, uprooted thousands of agricultural workers in the 1940s, swelling the existing labor pool and further driving down wages.

In the north, labor unions represented eighty percent of all textile workers. In the south, only about twenty percent of the workers were organized, so employers had fewer restraints.[7] In addition, passage of the Taft-Hartley Act in 1947, followed a short time later by the enactment of right-to-work laws in several states stymied the formation of unions in the south. Management's position was further enhanced when "Operation Dixie," the CIO's southern

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2. "The Bolt in Cotton Textiles," Fortune (July, 1947), pp. 65-66.

3. New York Times, October 12, 1945.

4. Business Week, July 8, 1948.

5. New York Times, September 1, 1946.

6. Herbert Lahne, The Cotton Mill Worker (New York, 1944), p. 9.

7. Massachusetts Special Commission Report Relative to the Textile Industry and Ways to Prevent Removal Thereof from the Commonwealth (Boston, 1950), p. 39.

organizing drive, collapsed in the late 1940s. All of these factors made the south an attractive area for textile manufacturers to invest their capital and expand their operations. As a result, from 1946 to 1949, the rate of new plant and equipment expenditures per employee was twenty-two percent higher in the south than in the north.[8]

From 1939 to 1949, New England textile manufacturers faced increasing competition from other New England industries for labor and investments. These emerging durable goods industries generally had higher profits and wages than did textile manufacturing. A major reason for this was that the goods produced were often either specialty items, subsidized by the government, or items which originated from advanced technical research. The impetus for much of the development of these industries came from military needs during the World War II. Thousands were employed in the production of transportation equipment, building airplanes and ships; others were involved in government-sponsored electronics research during the war. Plastics and metalworking were also a major element in armaments production. By 1945, plastics production made up one-third of the nation's output while metalworking production had increased fifty percent since 1939.[9]

After the war, many plants in these industries converted to civilian production, while others retained their contracts for defense work. Business associations like the New England Council, consulting firms such as the Arthur D. Little Company, and government agencies like the Federal Reserve Bank of Boston were all advocates of the new industries in the late 1940s, supporting a rapid transition in the New England economy from one based on non-durables (such as textiles) to one based on durable goods.

In 1948 the center of New England's textile industry was Fall River, a city of 110,000, located fifty miles south of Boston on the east bank of the Taunton river. Nine textile manufacturing plants with a total workforce of 15,000, larger than any other in the region, operated in the city.[10] The workers in the mills were represented by the Textile Workers Union of America (TWUA), the union having won election in 1942; several leaders of the TWUA were from Fall River, including its national cotton director, Maurice Bishop.

Fall River had experienced a major decline in its textile industry once before, in the mid-1920s. At that time a combination

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8. Arthur D. Little Company, Survey of Industrial Opportunities in New England (Boston, 1950), pp. 27, 34.

9. Massachusetts Division of Employment Security Research Department, Employment 202 (Boston, 1939).

10. Fall River Herald, October 17, 1978, p. 38.

of factors, including a sixty-six percent wage differential between northern and southern workers, obsolete machinery, the failure of management to stay abreast of fashion changes, and general overproduction in the industry were responsible for a sharp downturn in Fall River's textile production. Many companies went out of business during that period. One-third of the town's textile workers lost their jobs between 1925 and 1930. Finally, in the early 1930s, unable to collect sufficient taxes, the city went bankrupt and its finances were taken over by the state. In an effort to encourage textile companies to remain in operation, the state finance board gave large tax breaks to the firms still in existence. Thus, assessed valuations in 1933, for example, were sixty-seven percent less than in 1930.[11] In this way the surviving companies saved millions of dollars. The city, however, had even less money than before, and the finance board imposed an austerity plan on the city. City employees were given a twenty percent pay cut; police, firemen, and teachers were laid off; the dental clinic, twenty kindergartens, all the branch libraries, and child and maternal welfare clinics were all closed; construction of roads and buildings was suspended.[12] The austerity plan was in effect from 1933 to 1941, at which point it was formally abandoned. However, social services continued to suffer until 1945, because of wartime restrictions on construction.

In the late 1930s, the textile industry in Fall River revived. Increased work loads and improved machinery resulted in higher productivity. The differential between northern and southern workers was reduced to twenty percent through a combination of union organizing and federal minimum wage laws. Overproduction in the textile industry declined due to regulations imposed by the National Industrial Recovery Administration. In addition, some large textile companies such as Pepperell Manufacturing and United Merchants and Manufacturers bought cheap mills in Fall River, taking advantage of tax breaks, low rents and wages, and inexpensive machinery. Scores of garment shops also entered the city; by 1939 Fall River had a thriving garment industry that employed approximately eight thousand people (eighty-five percent of them female). The textile industry in 1939 employed sixteen thousand (seventy percent of them male), up from nine thousand in 1932. By January of 1942, textile employment reached twenty thousand; thereafter, however, employment declined because of the wartime mobilization and restrictions on civilian production. By 1945 textile employment was down to eleven thousand. With the postwar prosperity, however, employment increased to fifteen thousand in 1948, at which time

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11. Ibid., p. 39.

12. Mass. Division of Employment Security, Employment 202.

consumer and industrial demands became saturated and the second decline in Fall River's textile industry began.[13]

In the winter of 1948 and 1949, production was cut drastically and thousands were laid off in Fall River. Union spokesmen criticized the manufacturers for not making technical improvements necessary for the companies to remain competitive. Phillip Littauer, spokesman for the manufacturers, acknowledged that only fifty percent of the mills' machinery was up-to-date, but he blamed low profits for the companies' failure to modernize. Despite the companies' shortage of funds, he pledged that new equipment would be installed. Littauer made no direct reference to the union's recent request for a ten cents per hour raise. A few days later in a lead editorial, the *Fall River Herald* praised the manufacturer's remarks: "It leaves no doubt of the intent of the managers of Fall River's principal industry to meet the challenge of competition from any source . . . with the best equipment that can be provided and with the cooperation of its expert workers, Fall River will maintain its position among leaders of the cotton manufacturing industry in the United States."[14]

In mid-January, unemployment in the city topped eleven thousand -- over twenty per cent of the work force. The steep decline of the textile industry was not matched by a comparable decline in the apparel industry. As a result, unemployment of men was twice that of women.[15] This disparity continued for four years. As textile firms shut down, garment shops took over many of the empty mills (repeating the pattern begun in the 1930s), enjoying the benefits of low rents and cheap labor afforded by a predominantly female labor force. Since many of the garment workers had unemployed husbands and few other job opportunities, they were generally docile employees. Men displaced from the mills were often hesitant to enter the needle trades, owing to the meager remuneration and unpleasant working conditions. Garment shop managers, for their part, were hesitant to hire men, fearing they would make "unreasonable demands."

The situation in Fall River worsened when the Pepperell Manufacturing Company closed its cotton division, explaining that henceforth cotton manufacturing would be done exclusively in its southern mills. The next day 250 more people joined the rolls of the

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13. Fall River Herald, January 11, 1949, p. 1.

14. Ibid., January 11, 1949, p. 1, and January 14, 1949, p. 1.

15. Ibid., January 15, 1949, p. 1.

unemployed.[16] The manufacturers scored a victory when an arbitrator turned down the union's previous wage request. In his decision, the arbitrator explained that with demand for textiles down, any increase in wages would mean more unemployment. He also noted the example that would be set by an affirmative decision: "It would be unrealistic to ignore the fact that wage settlements in Fall River have a preponderant influence in the northern cotton-rayon industry." Not surprisingly, two weeks later an arbitrator refused a similar wage request in a decision affecting three thousand workers of the American Woolen Company in Maine and Massachusetts. Soon after this decision, ten thousand textile workers in Rhode Island dropped their demand for a ten cents raise. In March, the Fall River craft unions followed suit.[17]

Members of Congress from the New England area sought to narrow the pay differential between northern and southern textile workers by urging an increase in the federal minimum wage and the inclusion of more workers in such coverage.[18] Pressure on Congress soon decreased, however, as demand for textiles registered slight gains, and shortly thereafter unemployment in Fall River eased. Additional relief came to the city when the local Firestone plant expanded its operations and hired seven hundred additional workers.[19]

In February of 1949, the employers continued to hold the line on wage rates, in part by threatening liquidation if union demands became excessive. One official, Joseph Bourne, president of the Bourne Mills, reported that he had been approached by machine exporters who "made an offer so generous we would realize a great deal of money. But this would have thrown many people out of work. Still, we would have no choice if we are further penalized by granting a further wage increase."[20]

The intransigent position of the manufacturers must have seemed contagious to workers in the city. Talks concerning wage increases for the needle trades were halted by the employers' representative, who pointed to high inventory and recent decreases in prices. The employers' representative also described southern efforts to lure garment shops from Fall River. However, at the present time, he said, the shop owners were resisting the offer because of the cost

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16. Ibid.

17. Ibid., February 2, 1949, p. 1, February 3, 1949, p. 19, March 3, 1949, p. 1.

18. Ibid., January 28, 1949, p. 2.

19. Ibid., February 2, 1949, p. 2.

20. Ibid., February 4, 1949, p. 1.

involved in transporting machinery and the disruption of operations that would accompany such a move.[21]

At the end of March, the president of a major textile manufacturing firm, in a widely-publicized address, confidently predicted that the industry would return to normal within a few months.[22] In Fall River, however, possible future prosperity provided little solace for the unemployed. Community social service agencies central to the well-being of the city began to feel the strain resulting from lost income, and cuts in services were planned. On both the state and federal level, steps were taken to try to alleviate the crisis. In Massachusetts, a bill was filed in the state legislature that called for a fifty percent tax on machinery sold due to liquidation. As might be expected, the bill was strenuously opposed by the Fall River Manufacturer's Association. In its place, they recommended that the government raise the federal minimum wage so that southern wages would more closely approximate that of the north.[23] Some progress was made in this direction a few days later when Congress approved a new minimum rate of $1.05 an hour for textile workers.[24] However, the results of a survey undertaken by the National Planning Association suggested that reasons other than a wage differential were responsible for the migration of the firms. The survey examined the motivations of a group of textile manufacturers who had moved south. According to the survey:

> the absence of unions and existence of a large labor supply were as important as wage differentials in determining the plant location [and] furthermore wage differentials have been reduced since the War so that prospects of savings in labor costs through taking advantage of geographical wage differentials have been diminishing. However, there has been increasing concern about achieving labor savings through locations where supply is adequate to reduce costly turnover, to reduce competition for workers which bids up wages, and to provide some assurance that the plant will be able to secure a satisfactory proportion of the more

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21. Ibid., March 15, 1949, p. 1.

22. Ibid., March 31, 1949, p. 27.

23. Ibid., April 14, 1949, p. 1.

24. Ibid., April 21, 1949, p. 7.

> efficient workers, and also where labor relations are likely to be comparatively peaceful.[25]

The south retained an undeniable appeal for Fall River textile manufacturers. In May, the American Thread Company joined the migration begun by Pepperell a few months earlier. Officials of the company defended their decision by pointing to the prospect of larger work loads and lower wage costs in the south.[26] As a result of the plant closings, the position of textile manufacturing in Fall River looked increasingly precarious. From various quarters came demands for action and at the end of May, a committee to fight unemployment was formed. The committee urged that social security benefits be increased for older workers who had little prospect for future employment, that a state and federal W.P.A. program be reinstituted, and that work be shared by shortening the work week, with no cut in pay. The local union leadership ignored the committee, and rank and file support seemed to have been limited to only the union's more radical elements. However, the committee may have alienated some potential supporters by its insistence that a new nationwide depression was imminent.[27]

In June, the city government made public its plans for alleviating the economic hardship afflicting the city. An Industrial Development Commission was launched, and mentioned in the commission's first presentation were several projects that might be used to bolster the sagging economy. These included the construction of a municipal airport, a sewage disposal plant, and a state pier.[28] The union, still reeling from the arbitrator's decision in January and stung by the shutdowns at Pepperell and American Thread, announced that it would no longer seek a wage increase in 1949. The union representative blamed the "shortsighted policies of management with regard to prices and profits" as responsible for the difficulties currently affecting the industry.[29]

In part due to the heavy concentration of textiles in Massachusetts, the state's unemployment rate soared during this period, hitting eleven percent, double the national average. By July, the number of unemployment claims in Fall River was the highest

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25. Gordon McLaughlin, Why Industry Moves South (Washington, D.C., 1949), p. 66.

26. Fall River Herald, May 3, 1949, p. 1.

27. Ibid., May 26, 1949, p. 14.

28. Ibid., June 2, 1949, p. 2.

29. Ibid., June 17, 1949, p. 1.

since 1938.[30] The situation in the city was quickly becoming intolerable. Soon the government was moved to convene a commission to investigate the causes of migration of textile firms, and to suggest appropriate measures by which to retain the remaining manufacturers. In the state legislature, local community groups and elected officials joined forces in support of a bill declaring a moratorium on evictions of those who had sunk into poverty due to the crisis.[31]

The manufacturer's association used the weakened position of the union to good advantage. It informed the union of its intention to seek changes in the contract; among the changes sought were greater productivity without an increase in wages or benefits. Management's drive for concessions was intensified a few days later when George Stanton, president of the Hathaway Manufacturing Company, told a reporter that southern workers were

> more flexible in their thinking than the northern operative, they are less bound by custom, locality, and prejudice . . . when a mill is closed down and starts to liquidate, employees are willing to accept larger work assignments if the mill can be kept in operation. It should not be necessary, however, for any New England mill to start closing down and start to liquidate before it can induce its employees to give a fair day's work.[32]

During this time the threat of liquidation was frequently combined with the promise of continued jobs. American Thread, for example, issued a statement saying that its mill might stay open and even expand if productivity increased.[33] Stanton was active on many fronts as the manufacturer's representative. Later that month, he appeared before a legislative committee to ask that the depreciation allowance for machinery be accelerated from fifteen years to five, thereby reducing the manufacturer's burden and making available substantial funds that could be used for modernization. Other manufacturers called for lower assessments for their plants and reduction in the cost of state and local government.[34]

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30. Ibid., July 8, 1949, p. 10.

31. Ibid., July 15, 1949, p. 10.

32. Ibid., July 16, 1949, p. 1.

33. Ibid., July 15, 1949, p. 4.

34. Ibid., July 18, 1949, p. 10.

Meanwhile, in Fall River, community service organizations continued to deteriorate. The Red Cross was forced to cut back several programs due to lack of funds Services to the elderly and infirm were particularly hard hit. In addition, plans to modernize the General Hospital were postponed, and construction of new buildings for the fire department and school system was suspended.[35] The Reverend F. M. Brooks, Jr., rector of the Church of the Ascension, devoted his weekly sermon to the troubles in the textile industry. In his conclusion Brooks stated: "I have seen enough people in the last few months sitting in their homes in bewilderment, wondering what the next week will bring them. There have been layoffs, shutdowns, and slowdowns. I have seen some of my own church children really go undernourished because of the layoff. I have seen many old people in want. So as a churchman I say to labor and capital, 'sit down and let's settle this thing in fellowship and togetherness, stop the fight that is going on before the public.'"[36]

Depite the minister's exhortation, the shutdowns continued. Ten days later, the Arkwright Corporation closed its doors, moving its operations south, selling its machinery, and leaving one thousand more people without jobs.[37] Governor Paul Dever commented on this and other recent events in the textile industry: "We have seen a migration of manufacturers to other parts of the country but such blandishments as temporary freedom from taxes and cheaper labor are losing their appeal as economic and social standards throughout the country more and more reflect the enlightment of our times."[38]

Fall River's Industrial and Development Committee was unable to cope effectively with the approaching economic disaster. So instead it focused on long-range issues. In August, the Commission published a plan to form a committee to finance construction of an industrial plant to house heavy industry.[39] In the fall, news of a currency devaluation in Great Britain and Western Europe raised the specter of a flood of cotton imports. Members of Congress from New England accused the administrators of the Marshall Plan of undermining the American textile industry by selling textile manufacturing machinery to European firms at rock bottom prices. Fortunately, the threat did not materialize. As a result of curtailed production for much of the year, the inventories of most textile firms

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35. Ibid., p. 1.

36. Ibid., July 19, 1949, p. 1.

37. Ibid., July 29, 1949, p. 1.

38. Ibid., August 5, 1949, p. 1.

39. Ibid., p. 14.

throughout the country had fallen substantially. By October, demand for textiles had revived, and prices ceased their downward plunge.

In Fall River, unemployment "dropped" to eleven percent. The union succeeded in staving off concessions during the fall, but chose not to go on the offensive. In January, it announced that mill contracts would be renewed in 1950. At the end of the month, the state committee to investigate migration of industries convened its first public hearing. The officials urged suspension of new labor legislation in order to encourage textile firms to remain in the state. The committee recommended "caution in enactment of laws that would increase the cost of workmen's compensation or unemployment compensation and greater caution in liberalization of benefits until other comparable industrial states have approached standards set in Massachusetts." The committee also recommended a reduction in the corporate income tax and an increase in workloads for Massachusetts textile workers. Solomon Barkin, educational director of the TWUA, represented labor's viewpoint before the committee. He disputed the claim that the problems of the textile industry were in any way attributable to high labor costs. Barkin claimed that poor management was the cause. He asserted that more companies would be successful if they had more advanced resources and facilities, their own sales organizations, national brand advertising, and technical improvements.[40]

Barkin's remarks revealed a basic dilemma faced by the union. The type of firm Barkin described could only be a large-scale integrated firm. But it was precisely these integrated firms (such as Pepperell, Arkwright, and American Thread) that were the first to leave Fall River and other northern mill towns. The smaller, locally-owned mills presumably had less opportunity and incentive to move, and were more likely to be owned and operated by persons with local roots. As the difficulties in the industry increased, they attempted to protect their profit margins by wresting concessions from the workers.

During the winter, Japan's textile industry, which had only recently been rebuilt, began large-scale exports to the United States and other nations. The Fall River Manufacturer's Association tried to block this latest threat by opposing any reduction in the tariff and calling for greater trade protection. Its president, John Brayton, contended that because of the low tariff, employment in the American textile industry was twenty percent less than it otherwise would have been, and he warned of devastating consequences should the tariff be further reduced. The union accused the association of using the

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40. Massachusetts Special Commission, p. 43.

Japanese textile industry as a scapegoat for management's "25 years of neglect, and failure to put capital back into plants and machinery."[41]

The outbreak of war in Korea had a profound impact on the previously sluggish textile market. An immediate surge in prices and demand occurred as war contracts poured into the nation's mills. By August the majority of plants in Fall River were operating on two and sometimes even three shifts. The unemployment rate went down from twelve percent in July to six percent in August, finally settling at three percent in October. As labor became more and more scarce, the union felt emboldened to seek improvements in the contract. In September, the TWUA, craft unions, International Ladies' Garment Workers Union (ILGWU), and Amalgamated Clothing Workers Union (ACWU) all asked for and received pay hikes. The scarcity of labor had another consequence. It was more difficult to exact larger workloads from the workers. Consequently, the manufacturers once again turned to the government for aid in improving their competitive position *vis-a-vis* the south. George Stanton, head of the Hathaway Manufacturing Company, asked Congress to implement a new minimum wage for textile workers in order to narrow the differential between the northern and southern branches of the industry. Referring to the disinclination of most New England textile workers to heed increased productivity proposals, Stanton stated that "the New England worker regards them as propaganda, speedup, and slave driving."[42]

The temporary improvement in Fall River's economy was not enough to resuscitate the ailing community's organizations and charities upon which many social services in the city depended. When the decline began, groups like the Salvation Army, King Philip Settlement House, Family Service Association, and Catholic Charities offered counseling and relief to the unemployed. However, as the economic situation worsened these groups soon ran short of money. The community fund, the umbrella organization for various groups, once again lagged far behind on its annual appeal. The general decline of the textile industry had other debilitating effects on the city as well. According to the 1950 census, the population had fallen 3.7 percent since 1940, and the city's national ranking had slipped from seventy-fourth to one hundred-twenty-second. The number of young people age 15 to 24 had declined by thirty percent during those ten years, in sharp contrast to other cities of similar size. In addition, the number of married women over forty-five in the labor force had

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41. Fall River Herald, June 7, 1950, p. 1.

42. Ibid., July 1, 1950, p. 1; August 15, 1950, p. 1; September 1, 1950, p. 17; October 28, 1950, p. 1.

risen from six percent in 1940 to twenty-five percent in 1950.[43] Given the large number of older men who had been displaced by plant shutdowns with few other job opportunities, it is likely that many of these women had remained in the work force in order to support their families.

Textile production in 1950 was given a massive boost by military orders. The output of the industry that year reached eleven billion square yards of woven cloth, a level exceeeded only by the wartime years of 1941 and 1943.[44] In the first quarter of 1951, the production rate was even higher. Unfortunately, demand for textiles could not be sustained, so that prices once again began to fall. The situation worsened due to government restrictions on exports that allowed other countries to increase their share of the world market and exerted a downward pressure on the price of American goods which, for lack of foreign buyers, began to accumulate. In May, general curtailment began throughout the industry. In Fall River, the unemployment rate resumed its upward spiral.

In January, the TWUA had presented the manufacturer's association with new demands for raises, additional holiday and vacation time, and company pensions. The employers had responded by asking that the contract be extended with no change at all. A standoff between the two sides ensued, lasting until June. By that time, the employers' stance was stiffened by the growing problems facing the industry. According to the association, the situation was desperate. George Stanton, president of the association, contended that "if the TWUA proposal is agreed to in the north without anything similar in the south, it would mean the end of the cotton-rayon industry in New England." He declared that "over half of the region's textile firms are considering moving south."[45]

A report of the Massachusetts Development Commission was published a few days after Stanton's speech. The report examined the problem of industry moving south, focusing on the labor movement as a major factor responsible for the migration of industry: "Businessmen . . . are of the opinion that unions are highly influential in the affairs of the state government . . . corporate executives . . . are convinced that in matters of common concern to business, labor, and the state, the balance all too often swings in favor of labor." In the report's conclusion, the committee called for "greater cooperation of labor with

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43. United States Census of the Population, 1940, Characteristics of the Population, Massachusetts, vol. 3: the Labor Force, part 3, p. 460; United States Census of the Population, 1950, vol. 2: Characteristics of the Population, part 21, Massachusetts, pp. 7, 113, 163.

44. Fall River Herald, January 26, 1951, p. 12.

45. Ibid., June 4, 1951, p. 1.

management, the modification of social legislation to make Massachusetts competitive with other states and greater representation of business management in state government."[46]

The curtailment continued in Fall River through the summer. Many of the larger mills cut operations to four days, using only one shift, while some of the smaller mills went to three-day schedules. By August, production in the city was down thirty percent. Some relief was provided by the federal government with the announcement that restrictions on exports would be lifted. Yet the decision had little immediate impact on Fall River. September's unemployment rate remained at eleven percent.

The president's Council of Economic Advisors gave its perspective on the problems in the New England Textile industry with the publication of its report, *The New England Economy*. The advisors were emphatic in their support of newer durable manufacturing industries while downplaying the significance of non-durables such as textiles: "The problem for New England" according to the report, "is to direct its resources from its declining industries into expanding durable goods industries. . . ." To speed the process "the government is furnishing accelerated amortization privileges under the new tax laws and long term government loans under the defense production act . . . . Firms in a position to expand through the defense program should take advantage of the rapid write-off on facilities expansion permitted by the defense program." The report warned: "The initial stages of national defense programs are quite likely to emphasize immediate procurements of softgoods especially textiles and shoes. But to allow such procurement to freeze the attitude of New England manufacturers and to sidetrack preparations for the subsequent undertakings of durable goods production contracts would be a shortsighted policy for New England." Given the general stance of the Council, its attitude towards the displaced workers was not surprising: "A large part of the adjustment of the depressed areas to the new economy can and should be carried out by the local citizens themselves."[47]

In the city elections, the problems of the textile industry were rarely discussed. Instead, the focus was on issues having to do with social services. Matters receiving particular attention were the need for a new bridge, improved roads, refurbishment of the local hospital, additional recreational facilities, and a way to ease traffic congestion. Given the fifteen year decline in social services from

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46. Massachusetts Industry and Development Commission Report (Boston, 1951), pp. 10, 12.

47. President's Council of Economic Advisors, The New England Economy (Washngton, D.C., 1951), pp. 54, 60.

1931 to 1946, it is not surprising that these issues were important in 1951, as they had been in the 1949 elections and continued to be in 1953. The prevailing attitude about the economy seemed to be fatalistic. As one candidate stated: "If I am elected I do not honestly feel that it will be in my power to lower unemployment. Textiles, for example, are in the throes of uncertainty and we all know that this is a general condition that cannot be solved at the local level."[48] The union did become involved in the election, in a half-hearted way, supporting the challenger for mayor. But the major reason that the incumbent drew the ire of the union was his treatment of municipal workers, not because of his performance with regard to the textile industry.

In November and December, unemployment eased slightly as new military orders arrived. The president of the New England Council declared in mid-November that "the New England economy is strong and vigorous." On the same day, by coincidence, President Harry S. Truman issued a statement concerning recent developments in the region, warning: "Whoever is concerned with the economic future of New England should realize that a defense economy does not offer a permanent basis for economic progress. We can't afford to believe that the agreeable symptoms of present prosperity are the same thing as the basic cause of progress over the long haul."[49] A few weeks later, in a report analyzing prospects for 1952, the union echoed his comments. The report explained that the military was now consuming only ten percent of total textile production. Since consumer demand was not rising appreciably, the report argued, the stage was set for another round of overproduction and lower prices.[50]

In January of 1952, the delegates to the national convention of the TWUA voted against new wage requests. However, maintenance of the status quo was not sufficient for the textile employers. Shortly after the convention, textile companies throughout New England called for pay reductions. The unions' reply was not unexpected. The cotton director of the TWUA, Maurice Bishop, said: "Needless to say, our union will not consider for a moment any reduction in wages." Nonetheless, the Fall River Manufacturer's Association announced the reopening of contract negotiations. As evidence of their financial problems and resolve towards the union, the companies cut production sharply. The Sagamore Manufacturing Company, citing poor market conditions, declared an indefinite shutdown. Two weeks later, Berkshire Fine Spinning Associates also suspended

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48. Fall River Herald, November 15, 1951, p. 1.

49. Ibid., November 15, 1951, p. 1.

50. Ibid., December 3, 1951.

operations. More bad news for the workers came when the Wentworth Manufacturing Company made public its purchase of a new plant in Lake City, South Carolina. The company declined to comment on the impact of the new facility upon operations at its Fall River division.[51]

Emile Rieve, president of the TWUA, charged the textile companies with attempting to break the union by compelling the workers to accept wage cuts. He described unemployment as severe in both north and south, arguing that the industry's problems were related to basic economic factors rather than regional differences. In February, unemployment in Fall River was back up to twenty percent. The government tried to stimulate production in the city by agreeing to concentrate its textile purchases in Fall River and other distressed cities in New England. Concurrently, industry representatives asked for an end to price controls. Plans for a new raise in the minimum wage for textiles announced by United States Secretary of Labor Maurice Tobin, offered some hope that the north-south wage differential might be narrowed.

At about this time, Seymour Harris, a professor at Harvard University, published a study of the New England economy, examining at length the events of the preceding three years with regard to the textile industry. Harris described the numerous incentives for companies to move South in terms of tax breaks, lower labor costs, free plant sites, low rents, absence of unions, and so on. He urged the government to intervene in order to restrain the movement of firms: "Resources are being squandered if skilled labor is displaced in the north. Plants are closed down and public services wasted in response to excessive migrations to the south. The case is strong for greater control of industrial location by central government and as the government expands its control over the economy through increased spending, social security programs, resource development, wage legislation and the like, the federal government will increasingly influence industrial location and reduce the waste and resources involved in excessive migration." He warned: "Unless this occurs, the development of industry in the south means a reduction of living standards in the nation to the extent that the newer industry is unwilling to meet the national standards of social security, trade unions and of tax equity. New England's deserted textile towns are part of the price of a transfer of an industry to an area where New England's high standards are not being met." According to Harris: "The older areas are confronted with a serious problem. Can they

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51. Ibid., January 18, 1952, p. 1.

afford to advance in social legislation when newer areas are capturing their industries or should they retrace their steps."[52]

Alternative jobs were increasingly difficult to obtain for laid-off Fall River textile workers. So Mayor John Kane's inaugural address stirred excitement among the jobless when he described plans for the possible construction of an atomic power plant. The garment industry also seemed to offer employment opportunities. Needle shops in the area issued a joint statement that two thousand additional persons could be provided with work, noting that the industry would welcome male employees as machine operators.[53] Training programs were quickly instituted at the city's vocational high school for men interested in entering the field. Within a few weeks garment shops were deluged with men seeking jobs, and several hundred people secured employment in this way.[54] Still, approximately ten thousand were without jobs. Many persons felt compelled to rely on unorthodox ways to acquire an income. "Bookie joints" involving hundreds of people began to proliferate. Gaming increased during the year and continued to rise in 1953 and 1954. Undoubtedly the gambling dens and lotteries served as a welcome diversion and consolation for many of the unemployed. Another illicit enterprise, bootlegging, also gained a large measure of popularity. In fact, making and distributing moonshine became so widespread that sales in liquor stores dropped twenty-five per cent in 1952.[55]

In May of 1952, the Luther Manufacturing Company closed, and it gave no indication when it would reopen. A few days later the manufacturer's association formally asked the union for wage cuts. In the preceding four months, production had declined twenty-eight percent in Fall River as compared to an eleven percent drop in the rest of the country.[56] The production level of most New England mills was similar to that in Fall River. Not surprisingly, officials of southern textile industry adamantly opposed any scheme to coordinate production that might aid the ailing mills in the north. In addition, they urged Congress to enact a new mimimum wage for textiles based on the prevailing wage in their region. Since the new minimum would be weighted in favor of the lower pay scale predominant in the south, the proposal caused great consternation in the TWUA and among northern textile workers.

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52. Seymour Harris, Economies of New England (Cambridge, 1952), p. 159.

53. Fall River Herald, April 16, 1952, p. 1.

54. Ibid., April 21, 1952, p. 1.

55. Ibid., November 19, 1952, p. 4.

56. Ibid., May 6 and 9, 1952, p. 6.

In August the arbitrator ruled in favor of the wage cuts proposed by management in January. Several manufacturers sought to defuse the anger of their employees by claiming that the reductions were necessary due to the south's failure to boost wages. However, many workers remained angry about the concessions. One wrote: "Here is what they tell us folks who work in the mills. You've got to come down to the southern level so we can run, then when we get there they'll want us to come down to the Puerto Rican level and after we get there, they'll want us to come down to the coolie level. I have spent 45 years in the mills north and south. When a worker is under pressure, when he is told day in and day out that his job can't last, and is thereby always in fear of that job disappearing, he finally comes to these conclusions, close up and be done with it! My nerves can take no more."[57]

In October of 1952, the Berkshire Mills reopened, following union acceptance of a twenty-five percent workload increase. Only half of the workers were called back. In December, the manufacturers continued their campaign to cut costs. The association's representative petitioned the legislature for a moratorium on legislation increasing either unemployment or workmen's compensation benefits.

The New England textile market enjoyed a brief resurgence during 1953, and industry leaders reacted with enthusiasm. In an article entitled "Textile Industry: Prospects are Bright," the president of the Cotton Textile Manufacturing Association said: "The world-wide depression in textiles that reached a low point in 1952 has given way to an orderly recovery, the market seems highly stable, and business prospects are favorable."[58]

In March of 1953, operations were up to eighty percent of capacity, and the mills were said to be hampered by the scarcity of employees. By July unemployment had dropped to two percent. These developments temporarily strengthened the union's position. The new circumstances allowed the TWUA to resist manufacturers' demands for new wage cuts. In light of the overall situation, however, this was a rather modest victory. The union voted in favor of a two-year extension of their contract.

By the fall another slump in the textile market had begun, and unemployment quickly shot up to ten percent in Fall River. Nonetheless, the union's perspective remained one of calm. The latest downturn was regarded as merely another low in a recurring cycle of highs and lows. On the occasion of the sesquicentennial of the city, an advertisement appeared in the *Herald*, sponsored by the union, and

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57. Ibid., November 19, 1952, p. 4.

58. Ibid., February 16, 1953, p. 14.

it was almost exuberant in tone, declaring: "It is now generally agreed that New England will henceforth more than hold its own in textile manufacturing. Factors involved in present day operations no longer favor the south."[59] As events were to reveal, this optimism was not at all justified.

The textile industry in Fall River never recovered; military orders which had bolstered the industry ceased when the Korean War ended. High unemployment, wage cuts, and curtailed production remained the norm in Fall River and other mill towns in 1954 and 1955. By 1956, all the non-locally owned integrated textile firms had left the city for the south. These companies were part of a general trend in which northern control over southern textiles increased from one-third in 1946 to over two-thirds a decade later. While Fall River's textile industry continued to decline, the local garment industry expanded. From 1948 to 1952 it had mushroomed from fourth to second largest in the country. By the mid-1950s, employment in the industry was nearly fifty percent above its 1948 level.[60] Male employment in the shops, it should be noted, did not rise appreciably during this period. It is likely, therefore, that as before many of the new workers were women who entered the industry to support their families following the layoff of their husbands.

Through much of the 1950s, the high unemployment rate in Fall River, as compared to most of the rest of the country, is evidence of the difficulty experienced by many displaced workers in locating new jobs. One survey published in 1955 reported that of four hundred textile workers laid off eighteen months earlier, thirty-five per cent were either still unemployed or had given up seeking work.[61] Of those who had secured new employment, few found jobs in the expanding manufacturing industries. The survey revealed that one-third of those with new jobs had joined one of the remaining textile companies, while an additional one-third were involved in service occupations such as porter, hospital attendant, janitor, or chambermaid, and many of them complained that their new jobs were of a lower skill and wage level. The study concluded that the majority suffered an apparent "deterioration in quality of work conditions and living standards." By 1960 only two major textile firms were still in operation in Fall River; less than six thousand

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59. Ibid., September 19, 1953, section E, p. 24.

60. Mass. Division of Employment Security, Employment 202.

61. William Miernyk, "Unemployment in New England Textile Towns," Monthly Labor Review (June 1955), pp. 646-647; William Miernyk, "Labor Mobility and Regional Growth," Economic Geography, June 1955.

people were employed in the industry -- a decline of fifty-five percent since 1948. The lack of employment opportunities in the city may have been partly responsible for a ten percent drop in the population size between 1950 and 1960. Among young people aged 15 to 34, the decline was twenty percent.[62]

The decline of the New England textile industry received scant attention from business, government, or labor. Undoubtedly, the fact that the downturn occurred in the context of a generally prosperous economy was one major reason for the lack of interest. Perhaps the decline was regarded as an anomaly that did not bear investigation. The major downturn occurred over a period of five years, no dramatic collapse occurred, and at the time it may have been difficult to appreciate the significance of what has happening in the textile industry. In addition to these factors, the outbreak of war in Korea may have diverted attention from domestic matters. The boost to production may also have contributed to complacency concerning the textile industry. The way in which the displaced workers in towns like Fall River responded to the decline, also contributed to the lack of interest. For the most part, these workers lived in small communities scattered across the region, away from large cities, possessing little political power. Organized protest was negligible throughout this period. When the crisis began in Fall River, community organizations acted as a buffer that helped to prevent unpleasant conditions from becoming completely intolerable. In addition, many young people left the city, so one source of potential unrest was absent. Of the older workers who were laid off, some entered the service sector or moved to jobs in the remaining textile plants. Others were able to rely, to some degree, on their wives or children for income, thus perhaps decreasing the need for protest.

The decline of the New England textile industry had lasting consequences, not simply for the communities directly affected, but for the entire region and the rest of the country as well. The TWUA's membership in New England was decimated, impairing the operation of the national union and rendering the attempt to organize the south much more difficult. In this way, labor's position in the south was weakened. In the north as well, labor's clout was weakened. The migration of firms to the south combined with the decline in local textile production to have a deleterious effect on wages and working conditions in New England. Competition for jobs increased due to the layoff of over one hundred thousand textile workers. Consequently, wage rates were reduced. In fact, from 1950 to 1960, manufacturing workers' wages in New England declined

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62. United States Census of the Population, 1960, Characteristics of the Population, Massachusetts, part 23, pp. 50, 204.

sixteen per cent relative to the rest of the nation.[63] The high unemployment rate in New England (largely stemming from textile plant shutdowns) as compared with most of the rest of the country in the 1950s, and the insecurity and demoralization caused by the unemployment seriously debilitated the region's labor movement. Labor militance, as measured by the average number of days lost to strikes, declined precipitously; unionization also dropped as did the rate unions won in representation elections. New labor legislation largely screeched to a halt. By the mid 1950s, business leaders and planning associations regularly commented on the new spirit of cooperation pervading the area's workforce. Labor had become more tractable, less combative, less influential, either in the workplace or in local government.

In this way, the events in Fall River, and other mill towns like it, from 1949 to 1954, had regional ramifications both enduring and significant. The collapse of the textile industry, of which Fall River was the most striking example, was a major factor behind the dramatic shift in relations between New England's workers and management, in the atrophy in the local labor movement, and the resurgence of management's prerogatives that occurred during this period.

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63. New England Governor's Textile Committee, New England Textiles and the New England Economy (Boston 1954), p. 80.