

ARTICLE

On the Auction Block: The Garment Industry and the Deindustrialization of New York City¹

Andy Battle 

Brooklyn Institute for Social Research, United States

Corresponding author: Andy Battle, email: andrew.battle@gmail.com

Abstract

Several important studies of New York City's fiscal crisis of the 1970s identify the city's deindustrialization as a key component. The flight of manufacturers from New York fostered a racialized unemployment crisis while eroding the city's tax base, undermining its ability to meet increasing demands for social services, creating incentives for policymakers to focus on real estate development as the motor of the city's political economy, and weakening the institutions, especially labor unions, that had served as bulwarks of the city's unique (by American standards) brand of municipal social democracy.

This article explores the roots of deindustrialization in one of New York City's most important industries, the manufacture of clothing. Capital flight, in the form of "runaway shops," began as early as the teens, when the International Ladies' Garment Workers Union (ILG) established itself through a series of key battles. The handmaiden to runaway shops was the reemergence of contracting, whereby the assembly of garments was disaggregated in terms of time, space, and legal identity.

The twin forces of contracting and runaways threatened the existence of the ILG by draining garment work out of its New York City stronghold. I trace efforts to combat it through their culmination in what I call the "New Deal settlement," a stabilization of the industry across what contemporary analysts called the "New York Production Area." This settlement, I argue, was at once geographical, political, cultural, and economic. Its goal was to limit competition and establish a new equilibrium in the garment industry, one that could permit manufacturers acceptable profits without resort to the sweatshop. I borrow the notion of a "regulating capital" from the economist Anwar Shaikh to describe these attempts to engineer a reproducible cost structure.

As soon as the New Deal settlement emerged, manufacturers began working to collapse it. I trace the dispersion of garment work to places like northeastern Pennsylvania, where manufacturers enlisted the wives and daughters of unemployed anthracite miners to sew their garments. Factory owners, sometimes linked to organized crime, sought to establish a new regulating capital rooted in relationships of domination, protected by authoritarian local governments. When imported garments arrived in the 1950s, a new regulating capital rooted in a worldwide sweatshop economy forced manufacturers to leave Pennsylvania for the US South, the Caribbean, and beyond. In an attempt to link political economy with social history, I stress that the currency of regulating capitals, particularly in labor-intensive industries, is political domination.

Throughout, I illustrate these processes with reference to Judy Bond, the blousemaker whose departure for the US South prompted a widely publicized but unsuccessful national boycott led by the ILG. In terms of the historiography of New York City's deindustrialization, this account offers an alternative emphasis to that of Robert Fitch, whose influential account emphasized "a conscious policy" to deindustrialize the city, overseen by the real estate industry. Instead, I show how deindustrialization was rooted in significant ways in the dynamics of competition themselves, shaped at each stage by particular social relationships, state policy, and world politics.

On September 8, 1968, the *New York Times* ran a story accompanied by a photo of two women, both members of the International Ladies' Garment Workers Union (ILG), mounting a lonely picket on a Manhattan sidewalk. "Time erases all, it seems," wrote the paper's business reporter, "except the Judy Bond labor dispute."² By that time, the union was entering the seventh year of a nationwide boycott effort against the well-known blouse maker. The struggle had begun in late 1961, when the firm, in the midst of negotiating a new contract, had abruptly announced its resignation from the New York-based employers' association, locked employees out of its state-of-the-art warehouse on West 61st Street, and shifted the majority of its blouse production to two newly purchased plants in southern Alabama.³ The firm had become, in the parlance of the union movement, a "run-away." The reaction at ILG headquarters was shock. Judy Bond had been an "outstanding employer"—"the largest union firm in New York," lamented ILG president David Dubinsky.⁴ "Judy Bond's present position in the trade and past ties with the ILGWU make this reversal by the firm more than a blow to the workers whose jobs were destroyed," warned the union in a full-page ad in *Women's Wear Daily*, the must-read paper of the women's clothing trade. "Judy Bond's new procedure threatens both the labor standards and the industrial peace that prevail in the garment industry."⁵

The union, the company, and the press all recognized the symbolic import of this clash. Virtually overnight, a household name had abandoned its Northeastern roots and gone from union darling to "stubborn" non-union "holdout."⁶ For the ILG, the Judy Bond debacle was a kind of Waterloo. "To let such 'betrayal' succeed. . . would be to invite wholesale desertion by an industry already in flight from the unionized Northeast," noted a *Business Week* reporter.⁷ Garment shops had been running away from New York City since the teens, but the relocation of Judy Bond and other firms like it marked a new phase in the ongoing geographical reorganization of the industry. Since the 1930s, when the Depression slowed new investment and the New Deal secured the existence of the garment workers' unions, the industry had stabilized across a swath of the Northeast that economists called the New York Production Area. The flight to the South—prompted by a series of new competitive pressures that had emerged in the postwar era—broke up this regional settlement and its political assumptions, enlarged the potential labor force, stymied the garment unions, and profoundly altered the fortunes of the Northeastern cities in which the industry had once been rooted.

What follows is a history of the US women's garment industry framed in terms of what the economist Anwar Shaikh calls "regulating capitals," or cost structures that embody "the lowest cost generally reproducible conditions of production" in a given industry,⁸ illustrated with reference to the serial migrations of one well-known firm.⁹ Such periodizations can help us establish theoretically and empirically attentive accounts of the deindustrialization of specific places as well as attendant processes of class formation and disintegration. In terms of the historiography of New York City's deindustrialization, this account offers an alternative emphasis to that of Robert Fitch, whose influential book emphasized "a conscious policy" to deindustrialize the city, overseen by the real estate industry.¹⁰ Instead, I try to show how deindustrialization was rooted in significant ways in the dynamics of competition themselves, shaped at each stage by state policy and world politics.

On the auction block

The entire history of the garment industry consists in a series of struggles to limit—or, on the other hand, to exploit—the effects of the anarchic competition that has made clothing manufacture a byword for exploitation since the dawn of mass-produced, "ready-to-wear" clothing in the late nineteenth century. The "bitterly competitive and determinedly rapacious" nature of the industry formed the starting point of every contemporary analysis of the garment trade. "If Eve walked down Seventh Avenue wearing the first fig leaf," *Time* magazine joked in 1949, "two manufacturers would be making fig leaves with ermine trim within three days, three would be promoting oak leaves instead, and nine would be offering Eve's 'same identical garment'—but cheaper."¹¹ No industry embodied the hungry, amoral ethos of competitive capitalism in purer form.

The competitive dynamics of the industry took the shape of a feedback loop whose elements included a low cost of entry, meager capitalization, a labor-intensive work process, crowded markets, thin profits, low wages, a relentless search for surplus labor, and staunch resistance to unionization. These traits reinforced one another. Low capital costs, borne of the trade's resistance to mechanization,¹² made it notoriously easy to start a garment firm. "A contractor with six sewing machines, operating out of a basement . . . can enter the industry. He rents the machines; he employs women in the neighborhood; he gets a few 'bundles' of work from the biggies in the industry who use him as a contractor; and he is in business," explained ILG educational director Gus Tyler.¹³ If it was easy to get started, though, it was also easy to fail. Ease of entry combined with rampant pirating of styles to quickly saturate markets, driving down margins and sending firms into the red. Tyler's father, a Lithuanian-born dress contractor, "went bankrupt twenty times," his son remembered. He had been, Tyler sighed, a "Buntsche Schweig"—a passive man who "lacked the killer instinct."¹⁴

"Killer" was an appropriate word. Violence, fast and slow, acute and protracted, was endemic to the trade, a consequence of the raw competition that suffused every stage of the manufacturing process. Gangsters—specialists in violence—were embedded in the business at several levels, working variously, and sometimes simultaneously, as manufacturers, truckers, labor brokers, and union busters.¹⁵ The other

kind of violence was less spectacular but more universal—the grinding, everyday domination required to carve profits out of the gap between labor costs and market prices weighed down by incessant competition in a crowded field. The margin for error was thin—in the 1950s, only thirteen percent of women’s outerwear firms had been in business for more than twenty-five years, and one out of every five garment firms folded each year.¹⁶ In this chaotic environment, Judy Bond’s longevity was remarkable. In 1952, *Women’s Wear Daily* ran a feature on the company that sought to explain how any firm could survive thirty years in the blouse business.¹⁷

Even more than in other industries, competition in the garment business was structured around the cost of labor. Several factors, rooted in the nature of both the product and the market, conspired to thwart not just mechanization—and with it the productivity gains that might have enabled garment manufacturers to absorb higher wages—but sometimes even its logical predecessor, the division of labor. Even where mechanization was feasible, the small, thinly capitalized firms that populated the industry found such investments difficult to muster. Other features of the business reinforced these barriers. Clothing, as all successful manufacturers knew, is profoundly tied to fashion. Styles, particularly in women’s outerwear—dresses, blouses, skirts, coats, and the like—could change abruptly, which militated against efforts to standardize their production.¹⁸ Standardization, a relatively robust division of labor, and rudimentary mechanization were feasible in lines like knitwear and undergarments, products for which designs were consistent and demand relatively predictable.¹⁹ But for fashion-sensitive products, like the blouses manufactured by Judy Bond, large capital investments seemed a poor risk.

Together, these features of the garment business made labor costs the key variable. Wage suppression was practically the “only weapon” of the garment manufacturer, as US senator, former governor of New York, and longtime ILG ally Herbert Lehman put it in 1959.²⁰ A key strategy in this struggle was contracting, or a preference for temporary, contingent employment. Contracting permitted manufacturers to reduce overhead costs by passing them on to others, to achieve “flexibility” by quickly expanding or contracting production, to dissociate themselves from legal and moral responsibility for working conditions, and to increase the size of the potential labor force, permitting them to set workers in competition against one another, creating downward pressure on wages and conditions. The jargon of the trade reflected the salience of contracting. “Inside” shops were integrated factories where all facets of the manufacturing process were carried out under one roof. “Outside” manufacturing referred to contracting, where assembly was disaggregated in time, space, and legal identity.

A typical arrangement would see a “jobber” like Judy Bond employ executives, a sales force, designers, and highly skilled garment cutters and sample makers, while the actual sewing was performed elsewhere by a rotating cast of contractors, some steady and others fly-by-night. Relationships between a jobber and contractor—in other words, between a firm and the workers who assembled the garments it sold—could seem strangely ephemeral. “Sometimes the jobber himself will not know where his dresses are sewn,” commented *Fortune* magazine in 1952.²¹ According to the ILG’s Northeast Department, one of a series of detachments established to police the increasingly far-flung contracting networks, “many Northeast contractors were like

foundlings who did not know their own parents; jobbers were like parents who did not know their own children.”²²

In a 1937 pamphlet, ILG Research Director Lazare Teper fashioned an imaginary dialogue between jobber and contractor, undoubtedly drawn from experience, to illustrate the dynamics of contracting:

Contractor: Do you have any work? I will give you a bargain.

Jobber: My work is done by N. and M. They are making this style up for me now. (*Shows the garment.*) I am paying \$1.37 for the work. If I get a better price, I might consider a change.

Contractor: (*Examining the garment*) I think I could make it for \$1.30.

Jobber: (*After brief reflection*) Get in touch with me tomorrow, I’ll see what I can do.

(*After the contractor leaves, the jobber telephones his regular contractor.*)

Jobber: Listen, you are charging me \$1.37 for my garments, but here is a man who is offering to do it for \$1.30. (*His voice goes up*) What? You don’t believe me? Go and ask him. His name is P. Of course, I am not trying to take work away from you. But listen, I am not in business for my health and I got to meet the competition. So if you make them for \$1.30 you can finish the lot.²³

This was the famous “auction block system,” the root of all evil in the garment trade, according to the union. In the face of this pressure, the only way for contractors to preserve their margins, or sometimes to stay in business at all, was to get more for less by lowering wages, increasing the duration and intensity of work, or both. Owners were often able to badger workers into colluding in these arrangements by stressing that the alternative was the demise of the shop. Jobbers often engaged in several rounds of this chiseling, playing as many contractors as possible off of one another to arrive at a punishing equilibrium. Contractors—often *landsleit*, or immigrants hailing from the same region as their workers—were specialists in organizing immigrant vulnerability, pounding it into a shape suitable for exploitation, and fashioning it into a shield to protect jobbers and retailers from responsibility. At bottom, contracting was a machine to shift risk downward until the uncertainties of a fiercely competitive and unpredictable industry were loaded onto the backs of those least equipped to bear them.

Hunting the fugitives: Contracting and the runaway shop

A basic purpose of the ILG was to amend the remorseless political economy of the garment business—“to bring some semblance of reason and peace to an industry characterized by a jobber-contractor system of production, rapid style changes, piece work, cutthroat competition, low capitalization, simple technology, extreme mobility and a readily expandable labor force,” as the union’s General Executive

Board put it in 1959.²⁴ The first stirrings of garment unionism took aim at the contracting system, culminating in an 1886 strike by cloak makers that failed to abolish the practice.²⁵ The ILG, founded in 1900, established itself in a series of monumental battles that included the Uprising of the Twenty Thousand, a massive 1909 strike of mostly women shirtwaist makers, and the Great Revolt of sixty thousand cloak makers who mounted a general strike the following year.²⁶

The Great Revolt concluded with the Protocol of Peace, a settlement brokered by Boston attorney and future Supreme Court justice Louis Brandeis. The goal of the protocol was to “raise the industry as whole . . . to the standard which it is said was already observed by those shops in the industry which were most advanced.”²⁷ In theory, fixing wages, working conditions, and union influence by political agreement would reset the competitive equilibrium in the industry and soften its race-to-the-bottom ethos. If it succeeded, the protocol would overturn the principle that ILG counsel and future Socialist congressman Meyer London had called “survival of the meanest.”²⁸

The persistence of contracting rendered enforcement of the Protocol nearly impossible. “No sooner . . . than the Union succeeded in becoming an effective agency in the enforcement of standards in the industry, some manufacturers, who were unwilling to assume responsibility for work conditions in their factories, and in order to block the Union’s efforts to enforce these standards, devised a new method for evading their obligations under the collective agreement,” explained Isidore Nagler, a prominent ILG official.²⁹ Manufacturers evaded the protocol’s minimum-wage and other provisions by sending work to contractors whose identities were kept secret from the union, renewing the competitive scramble that depressed wages, fostered unhealthy and humiliating conditions, and drove large numbers of firms out of business, further destabilizing employment.³⁰ Competitive pressures and capital mobility made a mockery of Brandeis’s imagined virtuous circle.

In response, the ILG devised a series of reforms. The first was transparency, which took concrete shape in a system of “registration” and “limitation” of contractors. Manufacturers should be compelled to identify their contractors and to desist from playing them off one another by only farming out work to a second contractor once the first had reached capacity. The second was equalization of wages and conditions between inside shops and contractors, with the idea of removing these factors as a basis for competition. These proposals would come to serve as the chief instruments by which the union would attempt to mitigate the effects of the contracting system, but it would take two decades before the ILG could achieve even their partial implementation.

In the meantime, the effect of unionization was to kill the inside shop. The ability of the ILG to locate, surveil, and organize the inside manufacturers put those who played by the rules at an irrecoverable disadvantage to their rivals who persisted in contract work. Between 1916 and 1924, the number of workers employed in inside shops dropped by two-thirds.³¹ The decade belonged instead to the “jobber”—a lean firm that slashed overhead to a minimum and revived the hated auction-block system. Observers often complained that the garment industry operated according to a kind of Gresham’s Law by which “bad money drives out good.” In this case, the law obtained, as the jobbers dragged the inside manufacturers back to the days of the sweatshop.

One metamorphosis begat others, as the fragmentation of ownership represented by contracting eased the emergence of the runaway, or the physical relocation of production to bolster one's chances of eluding the union. Some of the earliest runaways lay within the boundaries of New York City—as early as 1919, for instance, several raincoat makers had established “fugitive shops” on still-bucolic Staten Island. That year, the union established an “Eastern Out-of-Town” department to undertake the organization of the manifold contract shops sprouting in upstate New York, eastern New Jersey, Connecticut, and on Long Island. The moniker reflected the New York parochialism of ILG officialdom. “Out-of-town” was whatever was not in New York City—wherever that was.³²

Organizing the “fugitive shops” was rough going. “As a rule,” organizers wrote, “the employer who opens a shop in such a small locality gets in advance the assurance of the local powers that he will be protected against strikes and labor disturbances as a reward for his benevolent boosting of the industrial ambitions of the town and the supplying of jobs to some of its residents.” The “solid wall of opposition” ILG organizers encountered in these small, oligarchical towns could be severe—in 1919, three members of Local 20, the raincoat makers, were accused of assault on the picket line and sentenced to two years' imprisonment by a Staten Island judge relying on the services of a “prejudiced and hand-picked jury.”³³ These alliances between runaway employers and undemocratic political regimes marked a pattern that would repeat at a series of geographical scales, culminating at the planetary.

By 1924, jobbers had succeeded so magnificently in re-establishing the sweatshop by other means that the ILG was prepared to call a general strike, shutting down the entire industry in order to re-attach responsibility for wages and working conditions to those who actually set them. A perturbed New York Governor Al Smith intervened, convincing the parties to work with a special Advisory Commission whose members included future governor Herbert Lehman.³⁴ The commission's report, in the eyes of the ILG, was “an indictment of the jobbing-contracting system.” “While . . . the jobbers are the real capitalists in this large branch of the manufacturing process,” the commissioners wrote, “they do not directly employ labor, and consider themselves free from responsibility for labor standards.” “By whatever name he may call himself,” they continued, “the jobber controls working conditions; he controls employment, and that element of control imposes upon him the responsibility that he shall so conduct his business that proper working standards shall be upheld instead of undermined, and that employment may be stabilized instead of demoralized.”³⁵

The commission endorsed the union's argument for curbs on contracting. Manufacturers should identify their contractors and use the same ones as steadily as possible. If observed, this principle would establish a *de facto* inside shop, albeit one that was fragmented in space. It would render the landscape of contracting legible, exposing the contract shops to ILG oversight. Ultimately it would re-knit a jobber's legal responsibilities to its moral ones. “In the absence of such a limitation of contractors, the garment industry was eternally doomed to sweatshop conditions,” the ILG believed.³⁶

Manufacturers fought these proposals bitterly—“far more vigorously” than any other question, according to Lehman.³⁷ Neither the commission nor the ILG brass was able to prevent a grueling six-month strike in 1926. The strike left the union

in tatters just in time for the onset of the Depression, which shattered employment in the garment trades and intensified competition for what little remained of the market. The ILG was on life support, kept afloat by loans from sympathetic millionaires like Lehman and Sears chairman Julius Rosenwald. By 1932, the ILG was, in new president David Dubinsky's words, "bankrupt in every respect," unable to cover even the electric bill on its Manhattan headquarters. When Dubinsky assumed the ILG presidency in 1932, several cloak makers wryly congratulated him on his ascension to "undertaker."³⁸

The New Deal settlement

For the ILG, the New Deal was everything. At the beginning of 1933, membership had fallen to forty thousand, many of whom could not afford their dues, while the industry amounted to "a huge sweatshop." A year later, the ILG had 200,000 members and had established itself as "one of the most powerful arms of the labor movement."³⁹ While ILG officials were aware of the shortcomings of the National Industrial Recovery Act (NIRA), few organizations took advantage of the openings it provided so assiduously. As soon as the act was passed, the union went on the offensive, deploying squadrons of volunteer organizers to shut down the Philadelphia and New York dress industries and force employers to recognize the union.⁴⁰ The ILG used its newfound leverage to influence the code-making process, entrenching the twin principles of contractor limitation and "jobbers' responsibility" for wages and conditions in contract shops. "The old fiction that the jobber was only a 'merchant,' not an employer of labor, had finally been given the *coup de grace*," wrote Max Danish, the editor of the ILG newspaper.⁴¹ The promise of the Protocol—to engineer and maintain a new cost structure for the industry—seemed within reach.

When the US Supreme Court struck down NIRA in 1935, the codes became legally unenforceable. In an attempt to forestall a return to the desperate price and cost-cutting of the 1920s, the ILG worked with the National Association of Blousemakers (NABM), a trade association for the established New York jobbers, to reincarnate NIRA through collective bargaining—to establish, in effect, a private NIRA. These jobbers, who accepted unionization as an established fact, worked together with the ILG to establish parameters by which member firms could maintain profitability while tolerating unionization and avoiding resorting to the sweatshop. Members of the NABM worked together to discourage price competition while encouraging the ILG to organize any non-union blouse makers.⁴²

Writing the codes was a qualified victory; enforcing them was another matter. In the absence of effective enforcement, they would remain, like all garment industry agreements, "pious expressions of good intentions typed on fine rag-content paper," as one ILG veteran put it.⁴³ As soon as the codes were minted, smaller, slicker operators—"chiselers," in industry parlance—began stretching the geographical frontiers of production within a circle described by the limits of overnight trucking to and from the Garment District. The incentive for this flight to the hinterland was baked into the codes in the form of a 25 percent wage differential between New York City and outlying areas—a difference that in practice often widened because of the union's

inability to surveil far-flung, fly-by-night shops.⁴⁴ By 1935, “the single most important problem confronting the organization,” wrote the leaders of Local 25, the Blouse and Waistmakers’ Union, “was the movement of factories to small towns in outlying areas.”⁴⁵

The chief destinations for runaways in the 1930s were the denuded anthracite coal towns of northeastern Pennsylvania and the fading textile hubs of New England. Anthracite had been “the fuel that powered American industrialization,” but the industry declined following World War I, making the region one of the first places in the United States to deindustrialize.⁴⁶ For garment manufacturers, this was an irresistible opportunity. Here were amassed, within striking distance of New York City, great concentrations of desperate women—urbanized, proletarian, and jobless. “In coal-poor northeastern Pennsylvania, the ‘runaways’ from New York found their edge . . . and prospered—far from the Seventh Avenue core of union enforcement power,” wrote two New York journalists investigating the runaways during the 1950s. “The wives of chronically unemployed anthracite miners flocked to work at minimum wages [and] were slow to organize under the ILGWU.”⁴⁷

Towns like Pittston, Hazleton, Pottsville, Scranton, Wilkes-Barre, and Shamokin now played host to the sweatshops whose existence in New York was imperiled by the growing strength of the ILG. They became part of what economists called the New York Production Area, a four or five-state regional settlement of the industry.⁴⁸ For local elites, courting footloose garment manufacturers promised a quick fix to the towns’ economic crises. “Moving into long vacant buildings, even into churches . . . aided by concessions and spurred on by promises of ‘protection’ against union activities by local chambers of commerce, these bosses put women and girls to work,” explained David Gingold, who became director of the ILG’s Northeast Department, established in 1935 to try and contain the increasingly out-of-control dispersion of garment work.⁴⁹

Relocating production offered a chance to reorganize the work process. The shops that could most easily set up out of town were those that produced unsophisticated, easily standardized garments for which demand was relatively predictable. Standardization permitted a more intense division of labor, known in the industry as section work, an alternative to the “whole garment” system that prevailed in New York City, where one operator used his or her skills to assemble an entire piece.⁵⁰ Cheap rents, long production runs, and disaggregation of the work process meant larger factories and mechanization to the degree possible in what remained a labor-intensive industry. “Business has been gravitating to Pennsylvania from New York City because the high capital investment in Pennsylvania plants permits volume production and increased efficiency through the use of the section work system, the use of the most modern machinery, and therefore lower relative labor costs,” explained the Slate Belt Contractors Association, an employers’ group established to serve the Pennsylvania contractors.⁵¹

Reorganizing the geography of garment work also offered the chance to reorganize its politics. The first element was space itself—whereas the Garment District, one ILG official joked, was like “a goldfish bowl equipped with loudspeakers,” the Pennsylvania shops suffered from a “tyranny of distance” whereby workers in one town lacked intuitive communication with similarly situated workers “over the next

mountain range or across an unbridged river.”⁵² Direct political domination was another element of the Pennsylvania formula. The coal towns had never been democracies—this was the land of the Molly Maguires, the alleged miners’ terrorist organization whose adherents were hanged en masse in the late 1870s, following trials in which their bosses managed to double as prosecutors.⁵³ Local oligarchies persisted well into the twentieth century, buttressed by working relationships between politicians, the police, and the organized-crime figures who controlled a significant chunk of the Pennsylvania trade. In several northeast Pennsylvania towns, women did not possess the right to vote. “Our man”—either a husband or boss—“has to cast our vote for us,” they told ILG organizer Min Matheson. For these reasons, the ILG’s efforts to regulate the political economy of the garment trade required something like a bourgeois revolution. One of Matheson’s first acts upon arriving in Pittston, known for its special congeniality to organized crime, was to book time on the local radio station to lay down a gauntlet: “We’re going to put Pittston back in the USA.”⁵⁴

The battle to unionize the Pennsylvania shops lasted for two-and-a-half grueling decades, culminating in a general strike that shut down the dress and blouse industries in 1958. For the ILG, it was a race against time. If the union, along with its allies in the NABM, could organize the New York Production Area while discouraging the further dispersion of garment work, it could contain the effective size of the workforce, increase its leverage with existing employers, and safeguard wages and working conditions in existing shops—a difficult task even in the best of times. In this sense, the New Deal settlement was a spatial one. It was also cultural, rooted in the union-friendly political culture of New York City as well as the shared backgrounds of ILG officials, the above-board manufacturers, and the arbitrators who settled disputes in the industry. For a time, this strategy—at heart an effort to engineer a regulating capital and safeguard it through political compromise—weathered attacks not only from rogue manufacturers who relentlessly sought their “edge,” but from the government itself, whose antitrust prosecutors cast the ILG as a titan that dictated terms to hapless manufacturers and bilked consumers in order to feather the nests of garment workers and union officials. In the meantime, new competitive forces were gathering that would force another political-geographical reorganization of the industry, one that put the New Deal settlement at grave risk.

Dollar blouse

In December 1954, NABM chief B. H. Lerner told the Senate Finance Committee that American blouse makers were visiting Japan to arrange for “large-scale importation” of “popular-price” blouses.⁵⁵ By that time, the industry was in the midst of a sudden assault from low-cost, low-price Japanese manufacturers, who hiked exports to the United States from a mere thirty-eight dozen in 1952 to three million dozen in 1955.⁵⁶ This was the notorious “dollar blouse,” which became an early symbol of the public controversies over the growing tide of imported Japanese manufactures.⁵⁷ The Japanese blouses boasted identical workmanship to those produced in the United States but sold for less than half the price, a feat made possible by paying the women who sewed them one-sixth of what their American counterparts made. “Our labor

cost alone. . . exceeds the complete cost of a blouse manufactured in Japan,” wrote Judy Bond founder Jack Rothenberg in a letter to Dubinsky, where he proposed that the manufacturers and the union collaborate on a campaign to address the crisis.⁵⁸

Retailers loved the dollar blouse, whose rock-bottom wholesale prices allowed them to undersell less-savvy competitors and still achieve a higher markup than was possible with American-made blouses, all the while wielding the threat of an intensified turn to imports to batter domestic manufacturers into concessions. The ILG realized that the conditions under which foreign blouses were produced augured a return to the sweatshop, but on an expanded, indeed, a global scale. “In the international competition that now exists in this product,” wrote the editors of the union’s newspaper, “work is shifting to those who employ labor to the ultimate limits of human endurance. This is the kind of competitive exploitation our union fought and drove out of the garment industry in its great campaigns to wipe out the auction block and to set a limit on the number of contractors a jobber might employ.”⁵⁹

The dollar blouse and the low wages that enabled it were the result of American policies. Ten years before, Japan had lain in ruins, its industrial output at one-tenth the pre-war level. The victorious US military possessed virtually unfettered control over the country’s politics and its economy. For the first two years of the occupation, the authorities pursued a course of “New Deal-style reformism and trust-busting fervor,” seeking to rein in Japan’s reindustrialization by purging pre-war business leaders from public life, dissolving the *zaibatsu* conglomerates, and strengthening Japan’s trade unions.⁶⁰ Beginning in 1947, however, occupation authorities embarked on what became known in Japan as the “reverse course,” or what one scholar has dubbed the “Kennan Restoration,” after its intellectual architect.⁶¹ The reverse course was an austerity program designed to prepare the ground for renewed capitalist development in Japan through what Kennan called “financial and social discipline.” Concretely, this meant imposing privation—suppressing wages, curbing government spending, and breaking workers’ power in an attempt to safeguard the position of Japanese capitalists.⁶²

The reverse course and its suppression of democracy was a key precondition for the Japanese economic miracle. “Japanese foreign economic policy has been carried out in a context in which the political exclusion of the Japanese Left and organized labor has allowed the Japanese government to avoid the redistribution of social benefits that has taken place, at least to some extent, in societies with a higher degree of corporatist inclusion of the labor sector,” noted political scientist T. J. Pempel.⁶³ ILG officials, including Local 25 manager Charles Kreindler, were active participants in the Occupation through the Free Trade Union Committee, the foreign-policy vehicle of the American Federation of Labor (AFL). In doing so, they “contributed to the weakness and fragmentation of the Japanese labor movement as the post-Occupation era began,” wrote historian Howard Schonberger.⁶⁴ In ensuing years, garment manufacture would radiate outward from its roots in Nagoya, first to the Japanese countryside, and later to newer entrants in the East Asian industrial scramble.⁶⁵ The common denominator was authoritarian politics—in South Korea, the Park regime not only blocked imports and limited competition, but guaranteed cheap labor by “the exclusion of labor, the exploitation of women, and. . . low

state expenditures on social welfare.”⁶⁶ In Taiwan, the Kuomintang ruled under a decades-long state of martial law that helped leaders curtail unionization and forbid strikes.⁶⁷

In 1956, imports amounted to between 3 and 4 percent of domestic production. Complacency was not in order, however. Not only were imports rising precipitously, helped along by the relentless entry of new producers into the market, but, as ILG Research Director Lazare Teper emphasized, “a relatively small volume of imports can be disruptive.”⁶⁸ In addition to the increased leverage they afforded retailers, the economic pressure of imports rippled across different sections of the industry, intensifying competition even in lines not immediately affected. The plight of the neckwear manufacturers was instructive. For decades, neckwear manufacturers had weathered downturns in their volatile business by flooding into other lines, especially blouses, where they could temporarily undercut existing blouse producers by quietly paying their workers the cheaper scarf makers’ wage. When Japanese competition “virtually wiped out” the domestic neckwear industry, neckwear manufacturers turned en masse to blouse making, exacerbating the problem of overcapacity at the moment that imports began to soar.

The Pennsylvania shops servicing the cheaper, “popular” end of the blouse and dress markets were the hardest hit by imports.⁶⁹ Few areas of the United States had been convulsed so thoroughly by the squalls of the market economy, and locals now prepared for another trial. “It does not take a genius to find what will happen to the blouse industry,” warned the director of the Slate Belt Apparel Contractors Association in a 1955 letter to David Dubinsky.⁷⁰ At its 1962 convention, ILG officers warned that the industry was entering a new era—the “global runaway shop.”⁷¹ With the ascent of the United States to undisputed capitalist hegemon, the scale of competition had reached the planetary, thrusting the miners’ widows of Pennsylvania coal country into an intimate but alienated relationship with war widows in Gifu Prefecture and beyond. The gathering collapse of the garment economy in the Northeast would soon send firms like Judy Bond in search of a new internal hinterland.

“In their desperation they are fishing around . . .”

At the conclusion of the 1958 dress strike that shut down the Pennsylvania industry, bringing a significant chunk of the rogue contractors into line, David Dubinsky had warned that “in their desperation they are fishing around for other production sources throughout the country, especially in the South.” “Let not your sacrifices be in vain!” he urged the troops.⁷² His warning was apt. Manufacturers met the twin challenges of unionization and imports by reorganizing production spatially, which was to say politically. The objective was to burst the New York Production Area, enlarge the size of the labor market, and reinject the competitive principle into relationships among garment workers, thereby establishing a new regulating capital that could compete with the punishingly low labor costs of East Asian producers.

The South, which had remained in important ways outside of the New Deal, was “the land of no overhead and no labor difficulties,” regional director E. H. Kehrer told the ILG convention in 1956. It was a place where local oligarchies enjoyed “tight

political control combined with tight control of the jobs, plus the use of police power and vigilantes to destroy or hamper our organization.” As evidence, he shared the story of ILG organizers kidnapped from their motel by a group of small-town Alabama businessmen. When the ILG confronted local Federal Bureau of Investigation agents with evidence of the crime, the agents coolly declined to intervene.⁷³ At another Southern manufacturer, ILG organizers “have been beaten, arrested, threatened with death,” Local 25 officials reported.⁷⁴ The combined effects of anti-union legislation, state repression, geographical distance from the strongholds of union power, and a desperate, unseasoned workforce left the ILG unsure at best of its ability to organize Southern garment workers. It was a place, Alabama ILG organizer Alice York observed, where “the minimum wage is like a gold mine.”⁷⁵

In December 1961, the union had received a disturbing missive. Jacob Brodsky, the owner of Judy Bond’s main contractor in South River, New Jersey, wrote an ILG vice president to warn that

Reliable information has reached me that Judy Bond for the past year has been giving out their contract work to many Southern contractors, who are in the main completely non-union. Needless to say, this deplorable situation has curtailed the amount of contract work I have received from Judy Bond, and I have had to resort to looking for other sources of supply—those sources of supply being mainly non-union manufacturers.⁷⁶

A week later, the company dropped a bomb into ongoing negotiations between the NABM and the ILG. In a terse telegram, Judy Bond announced its resignation from the employers’ association. From now on, the firm would negotiate labor rates independently. On December 26, Millard Rothenberg, Judy Bond’s heir apparent, told ILG counsel Elias Lieberman that the firm had purchased two plants in southern Alabama and had established a relationship with a rival union, the AFL-affiliated United Garment Workers.⁷⁷ On December 28, the news broke in *Women’s Wear Daily*. “Judy Bond Gets 2 Alabama Plants,” the paper reported—one in Ozark and another in Brewton, a small town around a hundred miles to the southwest, near the Florida border.⁷⁸ In an informal meeting at a Garment District restaurant, Jack Rothenberg told Joseph Tuvim, head of the soon-to-be defunct neckwear workers’ local, that the firm had lost \$450,000 during the last two years. Judy Bond’s accountants had warned that “some means must be found to salvage the business.”⁷⁹

Brewton was a one-time lumber town whose grantees, having exhausted the forests, diversified into textile and clothing manufacture after the Second World War.⁸⁰ As had their predecessors in the one-time hinterlands of the Northeast, they lured runaways with cheap, non-union labor and public support for manufacturers. In Brewton, Judy Bond took over a municipally owned factory that had been home to a men’s shirt maker that had abandoned its own Pennsylvania factories half a decade prior.⁸¹ Together with local investors, Judy Bond formed a “Brewton Development Corporation” to seek funding under the recently passed Small Business Investment Act, hoping to marshal the federal government as a sponsor of the runaway.⁸² The ILG pelted the Small Business Administration with messages insisting that the

Brewton Development Corporation was a front for “one of the largest blouse and sportswear manufacturers in the United States.”⁸³ When the government rejected the loan, Brewton’s city council formed an “Industrial Development Board” under the terms of the state’s 1949 Cater Act, which permitted municipalities to issue tax-exempt bonds to finance industrial development.⁸⁴ Tax exemption was a key feature of the scheme—“if the bonds lost their tax-free status, they would no longer be profitable,” complained regional director Kehrer to Dubinsky that summer.⁸⁵

A second factory in Bonifay, an impoverished town in the Florida panhandle, was financed with \$60,000 in contributions from local residents—an example of the “Dixie socialism” of which Northern trade unionists so often complained.⁸⁶ Townspeople understood themselves to be buying jobs—ILG organizers reported their pique when Judy Bond began importing workers from Brewton to fill some positions. Worse, the company, not content with the wage savings derived from one relocation, began playing the two plants off one another, shifting work from Brewton to Bonifay and fostering the insecurity that made workers reluctant to join the ILG. It was a rerun of the worst abuses of the Depression days in the Northeast, when workers paid for the right to be put on the auction block.⁸⁷

Along with geographical and political reorganization went reorganization of the work process. In the Northeast, the inside shop—a large, integrated factory—was a double-edged sword. Manufacturers enjoyed whatever economies of scale were possible in an industry that resisted them but left themselves vulnerable to the opportunities for organization that inhere wherever great masses of workers are concentrated. But this was a new kind of inside shop, situated in a region that had remained in important ways outside the reach of the New Deal. Here, Judy Bond could realize the economies of scale made possible by the inside shop, an increase in the size of the potential labor force that had been achieved in an earlier era by a combination of runaways and contracting, and the cost savings made available by a political-economic regime much harsher on ordinary workers.

The return to the inside shop also marked the infiltration of the principles of menswear manufacture into the heretofore fragmented women’s clothing market. Factories producing menswear had always been larger than those producing women’s clothing, a function of the greater standardization permitted by more consistent and less ornamented styles. In 1962, perhaps by way of justification for his firm’s flight, Millard Rothenberg sent David Dubinsky information on a new breed of women’s wear manufacturers. Among them was Cos Cob, a division of Oxford Manufacturing, a large menswear manufacturer now muscling into women’s clothing. Since August of 1958, Oxford had slain and absorbed eleven vulnerable women’s wear manufacturers, whom its officers criticized for their paltry capitalization and antiquated, family-owned structure. Oxford, on the other hand, promised to combine “specialized cost accounting, data processing installations for cost, inventory and merchandising controls and specialized production engineering” with “the finest unspoiled labor market in all of America”—the American South. “The South will rise again,” promised William Perry Jr., Cos Cob’s Northern-born president.⁸⁸

Judy Bond now raced to imitate these competitors. Its accomplice was the United Garment Workers (UGW), an AFL-affiliated union with a narrow outlook and a reputation for corruption. The UGW, which had represented the workers at Judy Bond’s

predecessor in the Brewton factory, served as a company union willing to sign “sweet-heart” contracts and serve as an insurance policy against the ILG. At Judy Bond’s temporary Birmingham warehouse, managers herded workers into the office and instructed them to sign up with the UGW on pain of losing their jobs. “I ain’t never seen anything get organized as easy as this,” one worker commented wryly.⁸⁹ At Brewton, the UGW contract was inferior in every way to the ILG contracts that covered garment workers in the Northeast.⁹⁰

The company, the UGW, the editors of the local newspaper, and other local elites did everything they could to keep the “BIG NEW YORK UNION TRYING TO DESTROY ALABAMA INDUSTRY,” as one circular screamed, out of Brewton.⁹¹ Do not take the town’s newfound fortune “for granted,” the *Brewton Standard* warned in an editorial that chided town residents for their alleged sense of entitlement.⁹² Within weeks of the ILG’s appearance in town, the local Chamber of Commerce mounted anti-union meetings in which the plant’s sponsors told workers flatly they would close the plant if the ILG got in.⁹³ ILG supporters found themselves blacklisted not just in the plant but in the town more broadly. When Dorothy Dewberry, an ILG convert, appeared on a Pensacola television program to describe conditions in the plant, a meeting took place at City Hall after which “nobody would have anything to do with me.”⁹⁴ Grace Kast, an ILG supporter whose husband, a disabled war veteran, owed money at the local bank, was summoned by a bank officer and interrogated about her support for the union.⁹⁵ The intimidation worked so well that fellow employees, in a “near-riot,” assaulted the few women who dared to wear ILG buttons in the plant.⁹⁶ In all, “the people are scared to death,” reported ILG organizer Alice York.⁹⁷

While overt repression was sometimes necessary, the firm’s trump card was the threat of abandonment. Whenever the ILG secured a foothold, the Rothenbergs and their managers barraged employees with threats to close the plant. “Remember—it is the Company, and only the Company, that can pay you wages, provide you with benefits and give you steady work,” plant manager James Byrd told employees in 1966.⁹⁸ In another message, he asked whether employees “really think the consumer would pay the additional \$.75 or \$1” to help garment workers.⁹⁹ In a third circular, Byrd rattled off the names of non-union blouse firms. Membership in the New York-based NABM was collapsing, he crowed, and with it the ILG’s grasp on the industry.¹⁰⁰ “This is the competitive situation in which we live and work every day and it imposes restraints on what we can and what we cannot do,” he stressed.¹⁰¹

Gradually, the competitive situation imposed restraints on Brewton garment workers’ ability to work at all. Already, by the late 1960s, Southern garment producers were complaining of a “labor shortage” that threatened their profitability.¹⁰² The ability to scour the globe in search of cheap sewing labor curtailed the amount of time jobs were likely to remain in any one geographical location—a phenomenon that some economists call “premature deindustrialization.”¹⁰³

This reality was driven home in 1984, when Judy Bond opened two factories in Haiti. For US apparel makers, Haiti, with 50 percent unemployment and the world’s lowest per-capita income, was a golden opportunity. Taking advantage of the Reagan Administration’s Caribbean Basin Initiative, and in particular Tariff Schedule 807, which permitted reductions on apparel sewn from textiles cut in the United States,

Judy Bond, Kellwood, and other veterans of the struggle against the ILG in the southern United States flocked to the island, where pay severely lagged the now-maturing apparel centers of Taiwan, Hong Kong, and South Korea. To sweeten the deal, the regime of Jean-Claude “Baby Doc” Duvalier offered a fifteen-year tax exemption to foreign manufacturers.¹⁰⁴

In Haiti, the garment manufacturers achieved something like a dictatorship of capital. Under the Duvaliers, “workers who attempted to organize were routinely murdered by state-sponsored death squads,” reported the US-based National Labor Committee. Despite a minimum wage of thirty-six *gourdes*, or \$2.40 per day, the committee found that more than half of US garment firms in Haiti ignored the law, even as inflation eroded the real value of the minimum wage by half between 1980 and 1996. At Quality Garment, a large Haitian contractor, workers averaged twenty-five *gourdes* per day, seven of which went to transportation and six to a small plate of rice and beans that for many workers served as the only meal of the day. Factory owners complained that workers were too hungry to meet their production quotas, which owners repeatedly augmented to cancel out minimum-wage increases ordered by new president Jean-Bertrand Aristide. Seventeen percent of women factory workers in one Port-au-Prince neighborhood reported being forced to have sex with their bosses, who routinely called them “bitch,” “whore,” and “dog.” The committee calculated that workers sewing Disney-branded pajamas in one Haitian factory were paid half of 1 percent of the garments’ selling price.¹⁰⁵

Andrew Postal, Jack Rothenberg’s grandson and now Judy Bond’s president, was a leader in securing the political conditions that facilitated his firm’s exploitation of Haitian workers. Postal was a prime mover in Caribbean/Latin American Action, a lobbying organization for US apparel makers seeking Caribbean production sites. In a Senate testimony, Postal noted that Haiti’s chief appeal for garment makers was its lack of natural resources or other “strategic location features,” which left Haitians little to fall back on besides the ability to sell themselves cheaper than other Caribbean workers. Like his contractors on the ground, Postal preferred dictatorship to the popular government of President Aristide. When the Haitian military deposed the new president in 1991, Judy Bond was among the firms that worked to resist international sanctions, while Postal disparaged Aristide in the press. After bucking the sanctions for three years, Judy Bond withdrew from Haiti under pressure, relying instead on production sites in China, Macau, Thailand, the Philippines, and Mexico. When the sanctions were lifted, Postal sought financial incentives from the US government to return so Judy Bond could continue to “give the Haitian people the opportunity they deserve.”¹⁰⁶

Conclusion

Back in New York, the survival of garment work was predicated on a convergence with conditions elsewhere—what State Senator Franz Leichter identified in 1979 as the “return of the sweatshop.”¹⁰⁷ The regulating capitals in the garment industry, whose conditions were transmitted to every manufacturer through the price system, now lay in places like Port-au-Prince. Over the preceding decades, the ILG had routinely eased its wage demands in New York in an effort to prevent jobs from

hemorrhaging out of the city. During the 1960s, the organization had even fought to kill city and state minimum-wage hikes for fear that they would reinforce the differentials that drove garment manufacturers out of New York.¹⁰⁸ As a result, between 1950 and 1965, New York City garment workers' hourly wages plummeted from ten cents above the city's manufacturing average to twenty-two cents below it, leaving the African Americans and Puerto Ricans who increasingly populated their ranks with fewer opportunities than their white predecessors had enjoyed. Despite the ILG's policy of wage restraint, the number of garment workers in New York City fell by 100,000 during these years.¹⁰⁹

The consequences of deindustrialization for the city would be great. Beyond the countless individual catastrophes wrought by joblessness, the subtraction of manufacturing from the city's political economy contributed to a series of interlocking crises that culminated in New York's near-bankruptcy in the 1970s, an event whose traumatic resolution continues to haunt the city's politics. For one, the flight of manufacturers helped disorganize a once "socially visible and politically strong"¹¹⁰ working class by weakening its institutions, of which the ILG, whatever its shortcomings, was a key example. The loss of jobs, and their partial replacement by lower-paying service work, contributed to declining income, sales, and property tax revenue while increasing demands for social services, even as state and federal support began to slow. Migrants continued to choose New York as a place that might facilitate their ambitions, but the city found itself less and less able to fulfil this role, meeting their struggles for liberation with a scarcity that reinforced the racialized logic of exclusion endemic to capitalism. The locus of class conflict in New York shifted in significant ways onto the state itself, in the form of an increasingly visible welfare rights movement and the breakneck unionization of the public sector, the latter of which helped stem the damage that might have ensued upon a total collapse of organized working-class representation in the city's politics.¹¹¹ Still, the amputation of a key pillar of the city's economy hollowed out those politics, leaving elites in the finance, insurance, and real estate industries in a virtually unchallenged position and making escalating real estate values and the politics that accompany them, such as aggressive policing, the sine qua non of municipal politics. Today, New York, like other wealthy cities, preserves and extends its welfare state chiefly by nurturing what planning scholar Samuel Stein calls the "real estate state," whose weight can be felt in every crevice of New Yorkers' daily lives.¹¹²

One strand of the historiography of New York's deindustrialization deemphasizes the role of market competition. In *The New York Approach: Robert Moses, Urban Liberals, and the Redevelopment of the Inner City*, Joel Schwartz argued that decisions made at the municipal level in the 1940s and '50s, "when the city chose redevelopment housing and civic centers over manufacturing," "cast the fate" of manufacturing in New York. The same year, Robert Fitch published *The Assassination of New York*, a jeremiad whose title reflects its essential contention—that industrial New York was not merely permitted to die but actively "assassinated" by a coalition of real estate developers and city planners bent on destroying the city's manufacturing economy to clear the way for more-profitable office space. The breathtaking collapse of manufacturing in New York, according to Fitch, should be understood less as the result of "market forces"—what he called "history's stern, impersonal and inexorable logic"—than "a conscious policy of

structural transformation.”¹¹³ This account, like Schwartz’s, locates causality less in the dynamics of a turbulent capitalist economy than in a series of intra-elite conflicts. Both Schwartz and Fitch questioned the idea that anything like “objective” developments in the global economy—“academic globaloney,” in Fitch’s words—could affect the power of elites at the municipal level to shape the city according to their preferences.

While the battles these authors described were real, the trajectory of the garment industry that emerges from the archives of the ILG makes the strongest versions of these claims difficult to sustain. The notion, for instance, that New York City’s manufacturing sector showed “arresting potential”¹¹⁴ and that its garment industry was “comparatively immune to decentralizing forces”¹¹⁵ would have come as a surprise to the garment union officials who, as early as 1935, asserted that “the single most important problem confronting the organization was the movement of factories to small towns in outlying areas.”¹¹⁶ Beyond this, the foremost difficulty with narrow, instrumentalist explanations of deindustrialization is that they cannot explain the breadth of the phenomenon. If deindustrialization in New York City was the product of such localized imperatives, why did virtually the same thing occur across the Northeast, the United States, and eventually the entire advanced capitalist world during the postwar era?

The survival of garment work in New York City after the Second World War depended on a set of political agreements rooted in the New Deal settlement. The goal of these agreements was to engineer an equilibrium that could support above-sweatshop wages by limiting competition in both the labor market and the retail market, thus forging a relative high road to profitability. After the Second World War, these markets could no longer be contained, and the settlement collapsed. Disinvestment became a rational business decision and a key to survival. At this point, only robust trade protection, or, on the other hand, a worldwide New Deal could have maintained the conditions for durable garment capitalism in New York, and eventually in the United States more generally.

As it was, the New Deal settlement in the garment industry foundered on the contradictions that have often beset social-democratic projects whose political jurisdictions do not coincide with the geographical dimensions of the markets they seek to temper. As Adam Przeworski argued in a classic work on the subject, “increased government intervention means precisely that non-market rationality is imposed upon the process of accumulation, that is, that capitalists are forced to make allocations which are suboptimal with regard to profit. . . . Under such circumstances, rational private capitalists will not invest.”¹¹⁷ As the sociologist Claus Offe wrote, “the ultimate political sanction is non-investment or the threat of it. . . . The foundation of capitalist power and domination is this institutionalized right of capital withdrawal, of which economic crisis is nothing but the aggregate manifestation.”¹¹⁸ This is a good working definition of what happened in New York City during the years that culminated in the fiscal crisis. The historian Robert Brenner referred to this disciplinary power as a “homeostatic mechanism” that “confines government policy to that which is compatible with, or falls within the limits set by, the requirements of capital accumulation.”¹¹⁹ In this sense, the political agreements meant to engineer a stable regulating capital in the Northeastern garment industry proved their own undoing.

If market competition itself tends to undermine all attempts to regulate it, this poses broad questions around political strategy that the ILG, at least, never broached. Elsewhere, Brenner identified what he called the “paradox of social democracy,” whereby the integration of once-proscribed workers’ movements into the state machinery demands the suppression of the mass direct action that imbued those movements with their disruptive élan.¹²⁰ We might elaborate upon this notion and say that the tragedy of social democracy is that its conditions of possibility demand that it consent to its own dismantling. There is a Rubicon rooted in the basic social relationships through which capitalism reproduces itself; if these relationships are not themselves threatened, the die is in some important sense cast. The ILG’s close identification with the New Deal state and its pursuit of the social-democratic proposition that there exists a viable high road to profitability set bitter limits on its ability to defend members’ well-being and to sustain itself as an institution once the regulating capitals of the Northeast entered their period of crisis. In the end, the idea that manufacturers, the union, and the state could forge a managed capitalism adequate for the reproduction of dignified lives and a city in which to live them proved a mirage. From this perspective, a broader, politicized approach, if not a revolutionary unionism, begins to look rational even if bread and butter remains the goal.

Notes

1. The author would like to thank Joshua B. Freeman, Kim Phillips-Fein, the two anonymous reviewers for *International Labor and Working-Class History*, and Steven Calco and Melissa Holland of the Kheel Center for Labor-Management Documentation for their gracious support for this research.
2. Isadore Barmash, “Judy Bond Dispute Still in Style,” *New York Times*, September 18, 1968.
3. Jacob Rothenberg to Blouse and Waistmakers Union Local 25, et al., December 11, 1961, Box 12, Folder 13; E. T. Kehrer to Louis Stulberg, January 8, 1962, Box 12, Folder 12; both in ILGWU Legal Department Records, Collection 5780/081, Kheel Center for Labor-Management Documentation, Catherwood Library, Cornell University, Ithaca, NY.
4. “Hearing,” February 4, 1962, Box 12, Folder 12, ILGWU Legal Department Records, Collection 5780/081, Kheel Center.
5. “Advertisement (International Ladies’ Garment Workers’ Union),” *Women’s Wear Daily*, January 9, 1964.
6. Harry Berfein, “Louis Stulberg: A Proud Steward,” *Women’s Wear Daily*, February 20, 1968.
7. “Testing Labor’s ‘Ultimate Weapon’,” *Business Week*, June 25, 1964.
8. Anwar Shaikh, *Capitalism: Competition, Conflict, Crises* (New York, 2016), 268.
9. Other firm-focused accounts of capital flight include Jefferson Cowie, *Capital Moves: RCA’s Seventy-Year Quest for Cheap Labor* (Ithaca, NY, 1999), and Tami J. Friedman, “Exploiting the North-South Differential: Corporate Power, Southern Politics, and the Decline of Organized Labor after World War II,” *Journal of American History* 95, no. 2 (September 2008): 323–48.
10. Robert Fitch, *The Assassination of New York* (New York, 1993), 24.
11. “Little David, the Giant,” *Time*, August 29, 1949.
12. Robert K. Otterbourg, “Automation Outlook Pondered by Trade,” *Women’s Wear Daily*, May 15, 1956.
13. Gus Tyler, *Look for the Union Label: A History of the International Ladies’ Garment Workers Union* (Armonk, NY, 1995), 22.
14. Gus Tyler, “The Intellectual and the ILGWU,” in *Creators and Disturbers: Reminiscences by Jewish Intellectuals of New York*, ed. Ernest Goldstein and Bernard Rosenberg (New York, 1982), 155–75.
15. On the role of organized crime in the garment business, see David Witwer and Catherine Rios, *Murder in the Garment District: The Grip of Organized Crime and the Decline of Labor in the United States* (New York, 2020).

16. Roy B. Helfgott, "Women's and Children's Apparel," in *Made in New York: Case Studies in Metropolitan Manufacturing*, ed. Max Hall (Cambridge, MA, 1959), 31.
17. "Judy Bond Marks 30th Anniversary; Firm's Sales Over \$15 Million," *Women's Wear Daily*, March 19, 1952.
18. Helfgott, "Women's and Children's Apparel," 36–40; Roger D. Waldinger, *Through the Eye of the Needle: Immigrants and Enterprise in New York's Garment Trades* (New York, 1986), 49–56.
19. "Report of the General Executive Board to the 33rd Convention," May 23, 1968, Box 2, Folder 8, ILGWU Convention Publications, Collection 5780/193 PUBS, Kheel Center.
20. "Draft Questions for Senator Lehman's Deposition," November 10, 1959, Box 2, Folder 7, ILGWU Legal Department Records, Collection 5780/081, Kheel Center.
21. "The Ghost of Lepke," *Fortune*, September 1952.
22. Harry Crone, *35 Northeast: A Short History of the Northeast Department*, Box 2, Folder 7, Dolores Miller ILGWU and Other Publications, Collection 6036/091 PUBS, Kheel Center.
23. Lazare Teper, *The Women's Garment Industry* (New York, 1937), 14.
24. "Report of the General Executive Board to the 30th Convention," May 11, 1959, Box 2, Folder 2, ILGWU Convention Publications, Collection 5780/193 PUBS, Kheel Center.
25. Louis Levine [Louis Lorwin], *The Women's Garment Workers: A History of the International Ladies' Garment Workers' Union* (New York, 1924), 39–40.
26. Tyler, *Look for the Union Label*, 46–74.
27. Louis D. Brandeis, "Purpose of the Protocol," in in *Out of the Sweatshop: The Struggle for Industrial Democracy*, ed. Leon Stein (New York, 1977), 121–23.
28. Meyer London, "Survival of the Meanest," in Stein, ed., *Out of the Sweatshop*, 98–99.
29. Isidore Nagler, "In Defense of 'Contractor Limitation' and 'Jobbers' Responsibility' Clauses," Box 2, Folder 10, ILGWU Legal Department Records, Collection 5780/081, Kheel Center.
30. Jesse Thomas Carpenter, *Competition and Collective Bargaining in the Needle Trades, 1910–1967* (Ithaca, NY, 1972), 563–65.
31. Nagler, "In Defense of 'Contractor Limitation' and 'Jobbers' Responsibility' Clauses."
32. "Report of the General Executive Board to the Sixteenth Biennial Convention," May 1, 1922, ILGWU Convention Reports and Proceedings, DigitalCommons@ILR, <https://digitalcommons.ilr.cornell.edu/ilgwu-conv/5/>.
33. *Ibid.*
34. Benjamin Stolberg, *Tailor's Progress: The Story of a Famous Union and the Men Who Made It* (Garden City, NY, 1944), 136; "Draft Questions for Senator Lehman's Deposition."
35. Nagler, "In Defense of 'Contractor Limitation' and 'Jobbers' Responsibility' Clauses."
36. "Report of the General Executive Board to the 30th Convention," 421.
37. "Draft Questions for Senator Lehman's Deposition."
38. Tyler, *Look for the Union Label*, 170; Stolberg, *Tailor's Progress*, 189; Robert D. Parmet, *The Master of Seventh Avenue: David Dubinsky and the American Labor Movement* (New York, 2005), 66–84.
39. Irving Bernstein, *The Turbulent Years: A History of the American Worker, 1933–1940* (New York, 1969), 84–89.
40. Crone, *35 Northeast*, 7–8.
41. Max Danish, *The World of David Dubinsky* (Cleveland, OH, 1957), 76.
42. "Re: Federal Trade Commission vs. Local 25, et al.," Box 2, Folder 8, ILGWU Legal Department Records, Collection 5780/081, Kheel Center; "Trial Examiner's Recommended Decision," January 26, 1948, Box 3, Folder 2, ILGWU Legal Department Records, Collection 5780/081, Kheel Center; "ILGWU Forbids On-the-Cuff Labor In the \$5 Billion Garment Industry," *Philadelphia Evening Bulletin*, April 9, 1964.
43. Crone, *35 Northeast*, 101.
44. "Re: Federal Trade Commission vs. Local 25, et al."
45. *Ten Years of Progress: The Story of the Blouse and Waistmakers' Union*, Box 1, Folder 36, ILGWU Local Publications, Collection 5780/169, Kheel Center, 15.
46. Kenneth C. Wolensky, Nicole H. Wolensky, and Robert P. Wolensky, *Fighting for the Union Label: The Women's Garment Industry and the ILGWU in Pennsylvania* (University Park, PA, 2002), 26–38.
47. Don Hogan and Peter Braestrup, "Mobsters and Pittston Dress Industry," *New York Herald Tribune*, June 26, 1958.

48. Helfgott, "Women's and Children's Apparel," 72.
49. Crone, *35 Northeast*, 30.
50. Nathan Belfer, "Section Work," in Stein, ed., *Out of the Sweatshop*, 300–2.
51. Elias Lieberman to David Dubinsky, February 3, 1964, Box 280, Folder 3b, ILGWU David Dubinsky President's Records, 1932–1966, Collection 5780/002, Kheel Center.
52. Crone, *35 Northeast*, 64–65.
53. Barbara Freese, *Coal: A Human History* (New York, 2003), 110–42.
54. Wolensky et al., *Fighting for the Union Label*, 51–75; Witwer and Rios, *Murder in the Garment District*, 81–104.
55. "Statement by B. H. Lerner, Executive Director, before the Senate Finance Committee," March 17, 1955, Box 2, Folder 12, ILGWU Legal Department Records, Collection 5780/081, Kheel Center.
56. By industry convention, cheaper garments were sold in units of one dozen.
57. "Case of the Dollar Blouse," *U.S. News & World Report*, September 14, 1956.
58. Jack Rothenberg to David Dubinsky, April 1, 1955, Box 4, Folder 8, ILGWU Legal Department Records, Collection 5780/081, Kheel Center.
59. "Made in Japan," *Justice*, November 15, 1955.
60. John Dower, *Embracing Defeat: Japan in the Wake of World War II* (New York, 1999), 525–46.
61. Bruce Cumings, "The Origins and Development of the Northeast Asian Political Economy: Industrial Sectors, Product Cycles, and Political Consequences," *International Organization* 38, no. 1 (1984): 1–40.
62. Philip Armstrong, Andrew Glyn, and John Harrison, *Capitalism since 1945* (Oxford, 1991), 90–94.
63. T. J. Pempel, "Japanese Foreign Economic Policy: The Domestic Bases for International Behavior," *International Organization* 31, no. 4 (1977): 723–74.
64. Howard Schonberger, "American Labor's Cold War in Occupied Japan," *Diplomatic History* 3, no. 3 (1979): 249–72.
65. Masahiro Imao, "The Japanese Clothing Industry after World War Two and the Emergence of the Gifu Prefecture as a Main Production Centre," *Textile History* 28, no. 1 (1997): 81–89.
66. Cumings, "The Origins and Development of the Northeast Asian Political Economy."
67. Alice H. Amsden, "The State and Taiwan's Economic Development," in *Bringing the State Back In*, ed. Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol (Cambridge, 1985), 78–106.
68. Milton Fried and Lazare Teper, "Analysis of Economic Conditions of United States Apparel Industry and Present and Prospective Impact of Imports," November 16, 1967, Box 4, Folder 17, ILGWU Research Department Records, Collection 5780/105, Kheel Center.
69. Crone, *35 Northeast*, 97.
70. Joseph de Christofer to David Dubinsky, September 2, 1955, Box 4, Folder 2, ILGWU Legal Department Records, Collection 5780/081, Kheel Center.
71. "Report of the General Executive Board to the 31st Convention," May 23, 1962, Box 2, Folder 4, ILGWU Convention Publications, Collection 5780/193 PUBS, Kheel Center, 23.
72. "Call for National Vigilance: Let Not Your Sacrifices Be in Vain!" n.d., Box 4, Folder 5, ILGWU Legal Department Records, Collection 5780/081, Kheel Center.
73. "Report of Proceedings, Twenty-Ninth Convention, International Ladies' Garment Workers Union," May 1956, Box 2, Folder 1, ILGWU Convention Publications, Collection 5780/193 PUBS, Kheel Center.
74. "Minutes of the General Membership Meeting of Local 23-25, ILGWU," June 16, 1965, Box 3, Folder 10, ILGWU Local 23-25 Records, Collection 5780/059, Kheel Center.
75. "Brewton Fashions Inc." Box 41, Folder 2, ILGWU Southeast Region Records, Collection 5780/058, Kheel Center.
76. Jacob Brodsky to E. Kramer, December 4, 1961, Box 12, Folder 12, ILGWU Legal Department Records, Collection 5780/081, Kheel Center.
77. Elias Lieberman to Charles Kreindler, December 27, 1961, Box 12, Folder 12, ILGWU Legal Department Records, Collection 5780/081, Kheel Center. Judy Bond's loss amounted to nearly \$4 million in 2020 dollars.
78. "Judy Bond Gets 2 Alabama Plants," *Women's Wear Daily*, December 28, 1961.
79. Joseph Tuvim to David Dubinsky, January 25, 1962, Box 12, Folder 12, ILGWU Legal Department Records, Collection 5780/081, Kheel Center.

80. Robert Leslie Scribner, "A Short History of Brewton, Alabama," *Alabama Historical Quarterly* 11, no. 1 (1949): 7–131; James E. Fickle, "Forest Products Industry in Alabama," in *Encyclopedia of Alabama*, <http://encyclopediaofalabama.org/article/h-3021>.
81. "Brewton Manufacturing Inc.," January 12, 1962, Box 22, Folder 49, ACTWU's Research Department Company Records, 1937–1995, Collection 5619/012, Kheel Center; "City Industrial Outlook Bright," *Brewton Standard*, January 18, 1962.
82. "Stock Sale Underway," *Brewton Standard*, March 22, 1962; "\$30,000 Stock is Sold," *Brewton Standard*, April 12, 1962.
83. David Dubinsky to Allan Harris, April 30, 1962, Box 12, Folder 17, ILGWU Legal Department Records, Collection 5780/081, Kheel Center.
84. "Industrial Board Is Formed for Financing Judy Bond Plant Building Expansion," *Brewton Standard*, May 12, 1962; John Mohr, "Wallace and Cater Acts," *Encyclopedia of Alabama*, <http://encyclopediaofalabama.org/article/h-3747>.
85. E. H. Kehrer to David Dubinsky, August 6, 1962, Box 12, Folder 18, ILGWU Legal Department Records, Collection 5780/081, Kheel Center.
86. "New Bonifay Plant to Hold Opening June 21," *Holmes County Advertiser*, May 27, 1965. For "Dixie socialism," see A. H. Raskin, "Union Builds a Plant in 'Civil War' on Jobs," *New York Times*, June 27, 1954.
87. Josephine Clark to Martin Morand, December 20, 1965, Box 41, Folder 1, ILGWU Southeast Region Records, Collection 5780/058, Kheel Center.
88. Millard Rothenberg to David Dubinsky, March 6, 1962; Millard Rothenberg to David Dubinsky, March 5, 1962, both in Box 357, Folder 1b, ILGWU David Dubinsky President's Records, 1932–1966, Collection 5780/002, Kheel Center.
89. Handwritten notes, n.d., Box 12, Folder 12, ILGWU Legal Department Records, Collection 5780/081, Kheel Center.
90. "Judy Bond: Contract Analysis," in Box 12, Folder 17, ILGWU Legal Department Records, Collection 5780/081, Kheel Center.
91. Martin Morand to David Dubinsky, April 1, 1965, Box 13, Folder 10, ILGWU Legal Department Records, Collection 5780/081, Kheel Center.
92. "We Take It For Granted," *Brewton Standard*, May 31, 1962.
93. Nick Bonanno, handwritten notes, July 8, 1962; Edwin Sharp to "Al," February 16, 1962, both in Box 41, Folder 5, ILGWU Southeast Region Records, Collection 5780/058, Kheel Center.
94. Statement of Dorothy Dewberry, Box 13, Folder 4, ILGWU Legal Department Records, Collection 5780/081, Kheel Center.
95. Statement of Grace Kast, June 7, 1966, Box 12, Folder 21, ILGWU Legal Department Records, Collection 5780/081, Kheel Center.
96. "Brief of Petitioner Brewton Fashions, Inc.," Box 41, Folder 1, ILGWU Southeast Region Records, Collection 5780/058, Kheel Center.
97. Alice York to Max Zimny, April 9, 1965, Box 13, Folder 3, ILGWU Legal Department Records, Collection 5780/081, Kheel Center.
98. "To All Employees," October 18, 1966, Box 12, Folder 21, ILGWU Legal Department Records, Collection 5780/081, Kheel Center.
99. "To All Employees," February 19, 1965, Box 13, Folder 3, ILGWU Legal Department Records, Collection 5780/081, Kheel Center.
100. "Let's look at the ILGWU's record in the Blouse Industry," February 26, 1965, Box 13, Folder 3, ILGWU Legal Department Records, Collection 5780/081, Kheel Center.
101. "To All Employees," February 19, 1965.
102. Paul Hanenberg, "Judy Bond Is Designing 3 New Wholesale Ranges," *Women's Wear Daily*, October 26, 1966.
103. Dani Rodrik, "Premature Deindustrialization," NBER Working Paper 20935, February 2015, <https://www.nber.org/papers/w20935>.
104. Ellen Israel Rosen, *Making Sweatshops: The Globalization of the U.S. Apparel Industry* (Berkeley, 2002), 129–52; Clyde Farnsworth, "Haiti's Allure for U.S. Business," *New York Times*, June 17, 1984.
105. National Labor Committee, *The U.S. in Haiti: How to Get Rich on 11¢ an Hour* (New York, 1996).
106. *Ibid.*

107. Franz S. Leichter, "The Return of the Sweatshop: A Call for State Action," unpublished report, 3 vols., 1979–82.
108. Robert Laurentz, "Racial/Ethnic Conflict in the New York Garment Industry, 1933–1980" PhD diss. (Binghamton, NY, 1980), 301–2.
109. Joshua B. Freeman, *Working-Class New York: Life and Labor Since World War II* (New York, 2000), 145–47.
110. Kim Phillips-Fein, *Fear City: New York's Fiscal Crisis and the Rise of Austerity Politics* (New York, 2017), 19.
111. On the welfare rights movement, see Premilla Nadasen, *Welfare Warriors: The Welfare Rights Movement in the United States* (New York, 2005); Felicia Kornbluh, *The Battle for Welfare Rights: Politics and Poverty in Modern America* (Philadelphia, 2007). On the organization of public workers, see Mark Maier, *City Unions: Managing Discontent in New York City* (New Brunswick, NJ, 1987); Freeman, *Working-Class New York*, 201–214.
112. Samuel Stein, *Capital City: Gentrification and the Real Estate State* (New York, 2019), 32–40. On the similar conundrum faced by London's municipal government, see Owen Hatherley, *Red Metropolis: Socialism and the Government of London* (London, 2020), 145–203.
113. Robert Fitch, *The Assassination of New York* (New York, 1993), xi–xii, 22–27, 39–42.
114. Robert Fitch, "Explaining New York City's Aberrant Economy," *New Left Review* I, no. 207 (October 1994): 17–48.
115. Fitch, *The Assassination of New York*, 22.
116. *Ten Years of Progress*, 15.
117. Adam Przeworski, *Capitalism and Social Democracy* (Cambridge, 1985), 44.
118. Claus Offe, *Contradictions of the Welfare State* (Cambridge, 1984), 244.
119. Robert Brenner, "What Is, and What Is Not, Imperialism?" *Historical Materialism* 14, no. 4 (January 2006), 79–105.
120. Robert Brenner, "The Paradox of Social Democracy: The American Case," in *The Year Left: An American Socialist Yearbook*, ed. Mike Davis, Fred Pfeil, and Michael Sprinker (New York, 1985), 33–86.