Conflict or Collaboration:
A Comparative Analysis of Employer
Responses to Unionization

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ABSTRACT

The manner in which employers first respond to unions directly affects the quality of labor relations that come to be established between both parties. In an effort to explain why employers initially react as they do, this study compares employer responses to unionization efforts launched by longshoremen on opposite coasts of the United States after World War I. Whereas shipowners on the West Coast vigorously resisted dockside unionism, their counterparts in the Port of New York adopted a much more accommodating posture. Drawing on employer records, trade publications, newspaper accounts, and government documents, as well as relevant secondary sources, I trace these contrasting responses to the shipowners' relative "class capacities," as shaped by regional variations in industry structure and markets. The implications of this analysis are briefly discussed.
Introduction

American labor's political contours have been historically shaped by the degree of employer resistance to emergent working class organization. In the drive to organize basic industry during the 1930s, one of the principal "staging areas of Communist penetration," writes a leading specialist, was "violent employer opposition to unionism." Where reactionary employers aggressively resisted the extension of "economic citizenship," as for example in auto, hard rock mining, and marine, workers embraced a more combative and politically radical leadership than in such industries as rubber, glass, and wood products where opposition to union recognition was less strenuous. As a problem of historical sociology, the question is why, in the first place, does capital embark on a course of either conflict or accommodation towards organized labor?

I examine this question through an historical and comparative analysis of employer responses in the American longshore industry. Between World War I, when the International Longshoremen's Association (ILA), a conservative craft union, began a sustained organizing drive on the docks, and the consolidation of waterfront unions almost two decades later, shipowners on both coasts pursued very different approaches to organized labor. On the East Coast, particularly in the Port of New York, they maintained uninterrupted and harmonious relations with the ILA during the open-shop 1920s and throughout the turbulent 1930s. In marked contrast, shipowners on the West Coast waged a protracted, at times violent, campaign to suppress any signs of independent unionism on the docks: refusing to recognize the ILA, blacklisting its supporters, and setting up company unions in several ports. Comparing employer responses in 1930, Joseph Ryan, ILA International President, commended shipowners on the North Atlantic for not taking "undue advantage" of the union, while chastising "steamship interests on the Pacific Coast" for "not yet display[ing] sufficient confidence in our organization."

Longshoremen on both coasts drew very different lessons from the way they were treated by the shipowners. In the West, employer intransigence provided "powerful, practical support for the view that the interests of the employers and those of the men were deeply opposed." Indeed, with every attempt to weaken or destroy the union, another nail was driven into the coffin of class collaboration. In this way, the shipowners played right into the hands of radical insurgents who rose to power on the West Coast, breaking away from the ILA in 1937 to form the militantly left-wing International Longshoremen's and Warehousemen's Union (ILWU). In New York, employer moderation had just the opposite effect. Having seen the shipowners at their best, the port's dockworkers found little use for the class conflict imagery and practices that appealed so strongly to longshoremen in the West. Based on their own experience, the rank and file had no reason to doubt, much less question, the employers' intentions. Rejecting the West's radicalism, they refused to enter the ILWU, preferring instead the cautious conservatism of the ILA.

The character of longshore unionism on both coasts was thus shaped by contrasting employer responses. But why, returning to our original question, did the shipowners respond so differently in the first place? Why, especially given similar structural constraints--based in the same industry, facing the same international union, and even representing many of the same companies--did shipowners fight unionization in the West and yet accept it in New York?

Employer Resistance to Unionization

Industry structure is widely regarded as an important, if not the most important, determinant of capital's response to labor. Empirical research shows a consistently strong relationship between the degree of monopolization, as measured by industry concentration ratios, and the quality of labor relations, evidenced for example in the extent of unionization and wage levels. In general, the strongest unions are found in the most highly concentrated manufacturing industries.
Various explanations have been advanced to account for the correspondence between "big labor" and "big capital." Economists point out that industrial concentration may actually facilitate unionization in a number of ways. First, it is easier for a union, once established, to maintain its organizational strength in concentrated industries where high capital requirements, patent restrictions, and recognized brand names serve as effective entry barriers to smaller and more cost-conscious firms. Second, given the capital intensity of production in the monopoly sector, the cost of labor relative to other inputs is low, while the need for stability in planning horizons and labor relations is proportionately higher, thus making collective bargaining more affordable, on the one hand, and clearly advantageous, on the other. And, finally, because monopolistic "price makers" typically earn higher rates of profit, they can more easily absorb the cost of unionization, or in more "permissive" product markets simply pass added labor costs onto consumers in the form of higher prices.\(^6\)

But immediate economic interest is not the only moderating force acting upon big business. According to another school of thought, the largest corporations are also highly conscious of their long-term interests as a class. This class awareness, supposedly reflecting their more diversified holdings and economic interests, has propelled the corporate elite into the front ranks of social reform—if for no other reason than to stave off lower class protest and maintain their own hegemony. It is these class conscious "corporate liberals" who, we are told, have traditionally been most supportive of collective bargaining and labor's right to organize. Smaller business men, on the other hand, because they are "tied more immediately to the market," have adopted "attitudes towards unions...[that] were more rigid and uncompromising."\(^7\)

Yet the growth of organized labor in the United States has followed a rather different path from that charted by the theory of corporate liberalism. The earliest and strongest unions did not arise in the heartland of the emerging corporate economy, but rather on the periphery, in such highly competitive industries as construction, trucking, and coal mining. In fact, the largest manufacturing corporations have more often been hotbeds of employer reaction than outposts of liberalism. Long after many smaller firms were unionized, industrial giants like General Motors and U.S. Steel continued fighting labor with every weapon at their disposal, drawing on their substantial financial resources to maintain a vast network of company spies, hire private security forces and recruit strike breakers when necessary. As a result, auto and steel—two of the nation's most concentrated industries—remained open shop strongholds well into the 1930s.

What this suggests is that industrial concentration "appears to operate as a double-edged sword," as a student of the problem has recently put it.\(^8\) In responding to the threat of unionization, the secure financial position of large firms enables them to more easily accommodate added labor costs. Yet it is this same financial security that gives large firms a greater ability to resist unions. To understand why a strategy of accommodation or resistance becomes dominant in different industries at various points in time, it is necessary to take a closer look at the full array of economic forces impinging upon employers.

**Employer Resistance on the Waterfront**

During the interwar years, the maritime industry closely approximated the economist's model of perfect competition. With a large number of suppliers and little to differentiate one from the other, shipping was a risky, highly competitive undertaking. Profit margins, never very wide to begin with, all but disappeared with the slump in shipping activity following the stock market crash. In 1931, 83% of all America-owned intercoastal carriers lost money, as did 36% of coastwide companies and 37% of operators engaged in overseas trade.\(^9\) For individual shippers already operating close to the margin, failure to "hold the line" could mean financial ruin, while for the industry as a whole, stiff competition from alternate modes of domestic transportation as well as from foreign shipping lines exerted a strong downward pressure on wages and other variable costs of production. The competitive nature of the product market thus produced an industry-wide "intolerance" towards unions, especially on the docks where labor costs represented the single largest ship operating expense.\(^10\)
Within the constraints imposed by industry economics, however, waterfront employers were far more intransigent on the Pacific than in New York. In part, this reflected the very different character of the initial contact between labor and capital on both coasts, with employers in the West reacting more aggressively to the presence of syndicalist Industrial Workers of the World (IWW) organizers on the docks—"matching fire with fire," as the shipowners saw it. But if radicalism in labor tended to elicit a like response from capital, it did not resolve the problem of how to organize employer resistance, for the shipowners still faced the difficult task of translating their anti-union passions into effective industry-wide resistance. Put simply, they had yet to constitute themselves as a class.

In shipping—as indeed in most competitive product markets—the capacity for employer self-organization grew as the industry itself became more concentrated. In England, for example, shipowner associations did not really take hold until after the turn of the century, when the process of concentration had advanced far enough to create a few large firms whose consolidated economic strength and more expansive vision enabled them to provide leadership as well as organizational direction for the industry as a whole. Summarizing these developments, Hobsbawn writes:

On the waterside, employers had to achieve a degree of concentration which allowed them to see the problem as one of the industry as a whole, and not merely as one of individual entrepreneurs or sections within it; or else sections of large employers, with wider views, had to be effectively counterposed to the multiplicity of small ones with a narrower outlook.

Similarly, in the United States, industrial concentration was a necessary condition for employer organization on the waterfront. On the Great Lakes, the massive Isthmian Line, a corporate subsidiary of U.S. Steel, was the driving force behind the Lake Carriers Association. The powerful Lykes-Ripley shipping combine took charge of organizing its smaller Gulf Coast competitors. And on the Pacific Coast, this crucial leadership role was collectively assumed by the "Big Three" firms of Matson, American-Hawaiian, and Dollar.

While industrial concentration provided a basis for employer organization on the West Coast, the thrust and direction of their mobilization efforts—whether towards accommodation or resistance—was largely determined by industry economics. Given the competitiveness of the product market and the resulting industry-wide intolerance of unions, the far-sightedness of the largest firms was not a vision of accommodation, much less one of class harmony, as the theory of corporate liberalism might predict. On the contrary, the largest firms on the Pacific were the staunchest and most vigorous opponents of dockside unionization on the coast.

New York’s largest operators, on the other hand, although bound by similar economic constraints, ended up responding like corporate liberals—not because they were any more "class conscious" or reform-minded, but simply because the less concentrated structure of shipping in the East, by creating formidable obstacles to employer organization, left them little choice. Table 1 compares industrial structures in New York and the West Coast. Compiled from the 1930 Record of the American Bureau of Shipping, it ranks, on the basis of vessel ownership, the ten largest American lines headquartered in both regions.

The aggregate vessel tonnage of the ten largest companies in both regions was approximately the same. Yet, as Table 1 reveals, its overall distribution was very different. In the West, vessel ownership was concentrated among the "Big Three" of Matson, American Hawaiian, and Dollar. Together, they accounted for over 60 percent of the tonnage held by the ten largest West Coast Lines. After that, the dropoff was so precipitous that Dollar, the number three firm, had more than twice the holdings of the next largest company. In contrast, no such clean break can be found in New York. There, vessel ownership was more evenly distributed, as along a continuum, with no single line enjoying more than a 20 percent advantage over its nearest ranked competitor. Thus, among the ten largest
American lines in both regions, the top three companies held nearly two-thirds of all tonnage on the Pacific while their counterparts in New York controlled less than two-fifths.

(Insert Table 1 Here)

These dissimilar industrial structures decisively shaped employer responses in both regions. As we will see, capital concentration in the West placed the "Big Three" American lines in a commanding position from which to provide leadership and organizational initiative for the multiplicity of smaller employers. Constrained by the industry's low tolerance for unionism, the Big Three, as industry-wide leaders, consolidated the rest of the coast around a militantly anti-union program. In New York, however, the more even distribution of shipping capital left the port's medium-size employers leaderless and without direction. Lacking an organizational center of gravity, and at the same time internally divided by the presence of competing commercial, government, and foreign interests, the shipowners' low tolerance for unionism in New York was expressed not in collective resistance, as on the West Coast, but rather through informal modes of accommodation between local union leaders and individual shipping lines.

The "Big Three" Organize the Pacific

Employers on the West Coast vigorously opposed organized labor from the very beginning. In 1914, well before the I.W.W. was even much of a force on the docks, San Francisco shipowners formed the open-shop Waterfront Employers Association, the first such organization of its kind anywhere in the country to deal exclusively with longshore labor. Within a few years, employers in each of the major ports had established separate negotiating bodies for sailors and longshoremen. This "departmentalization" plan altered the basic contours of the emerging marine working class, splintering what was then a fairly unified and homogenous labor force along traditional craft lines, and in this way reasserting the primacy of occupation over industry as the basis of collective action. In the words of maritime historian William Camp, this formal reorganization "made it appear that there was no common interest between shore workers and the men who sailed the ships--a strategy which prevented all the waterfront workers from uniting along industrial lines for many years."15

The Big Three were prime movers in these early reorganization efforts. Through their control of the San Francisco employers' association, which provided leadership to local organizations in the Northwest and San Pedro, they exercised a significant influence on coastwide policy. According to Thomas Plant, past President of the San Francisco association, American-Hawaiian was the "moving spirit" behind the city's waterfront employers, with Matson, Dollar, and two smaller lines playing an important supportive role throughout the 1920s.16

Pacific shipowners grew restive with the onset of the depression. Plant, a corporate Vice-President with American-Hawaiian, assumed the Presidency of the San Francisco waterfront employers. Under his aggressive leadership, West Coast shipowners adopted an increasingly belligerent posture towards longshore unionism. In March of 1934, with 12,000 longshoremen on the Pacific Coast preparing to walk out to enforce their demands for closed shop recognition of the ILA and union-controlled hiring, Plant defiantly announced that "thousands of men now unemployed will be glad to get the jobs." When the strike finally broke out two months later, Roger Lapham, President of American-Hawaiian, took an equally firm line. Branding strike leaders "out and out Communists," he characterized the demand for union recognition as an attempt to "break down the walls of government."17

The employers at first welcomed the walkout as an opportunity to finally rid the waterfront of longshore unionism. A government mediator directly involved in pre-strike negotiations later wrote his superiors at the National Labor Board that "the shipowners were confident of victory and gave me to understand that even if they lost two or three million, it would be worth it to destroy the union." But the cost of doing battle with the ILA proved far greater than the employers had anticipated. The
paralysis of maritime commerce during the first month of the strike idled an estimated $45 million worth of coastwise cargo. Besides incurring huge losses in revenue, shipowners paid out of their own pockets considerable sums to maintain small scale, largely symbolic strikebreaking operations in several ports. In San Pedro, where these efforts were most successful, provisions for housing, feeding, and protection non-union dockworkers cost local employers around $7,000 a day.

Yet the shipowners remained adamant. Early in the walkout, the mayor of San Francisco met with a group of "prominent shipping men" to discuss the impasse. The shipowners, represented by an officer from each of the Big Three firms and one other company, flatly refused to concede any ground to the union. With these hardliners dictating employer strategy, the walkout dragged on for three months before the shipowners reluctantly agreed to recognize the ILA.

Settlement of the 1934 strike failed to soften employer opposition to the new union. Instead, they attempted, as the La Follette Committee later put it, "to drive a wedge between the radical and conservative elements" in the ILA. Harry Bridges, the fiery young leader of the San Francisco local, was the principal target of this campaign. Early in 1935, Lapham traveled to Washington to personally urge the Secretary of Labor to initiate deportation proceedings against Bridges, an Australian immigrant and alleged Communist. When government cooperation was not readily forthcoming, San Francisco employers turned to conservative union officers for help in dislodging Bridges. Over a period of several months, the shipowners--again led by the Big Three--covertly supplied money, organizing resources, advice, and encouragement to conservative District and International ILA leaders. Summing up these efforts in a confidential memo, Plant wrote in the Spring of 1935:

We have worked all angles--the Department of Labor, J.P. Ryan, Lewis, Petersen, and other conservative ILA leaders on this coast. Our only apparent hope of progress lay in trying to persuade the conservative leaders that if they wanted to preserve anything for the ILA, they would have to set their own house in order...We have had reason to believe that [conservatives] Lewis and Peterson and some of the others are really making progress. It is, of course, a slow process. It is obvious that if we do anything to hurt Lewis and Petersen and the other conservatives at this time, we nullify all the work they are doing in their efforts to clean out the radicals.

But conservative ILA leaders were in no position to rally an aroused rank and file behind any such "anti-radical" crusade. Recognizing this, the employers embraced a more confrontational approach. "I am for decisive action at this time," Lapham declared in presenting his "suspension program" before a strategy meeting of the waterfront employers. His proposal called for unilaterally suspending relations with the ILA until its "irresponsible leadership" publicly agreed to clamp down on unauthorized job actions. In this way, Lapham argued, the employers could create distance, if not a clean break between Bridges and other radical leaders, who were contractually bound to enforce the existing agreement, and an increasingly restive rank and file. Reservations were expressed by many smaller companies as well as several New York-based intercoastal lines, but the Big Three once again prevailed. Representatives from American-Hawaiian, Matson, and a leading British line were then sent east to shore-up support for the suspension program. In December the New York Times reported that shipowners on both coasts "are said to be in constant contact...and well informed sources indicate the employers are ready for a showdown."

The shipowners patiently waited for an appropriate situation to execute their suspension program. Employer documents from this period, as summarized by the La Follette Committee, revealed a somewhat startling spectacle of a group of employers, who, having determined to engage the unions with which they had agreements in a struggle that would interrupt commerce and business on a wide scale, were unable to find a pretext for initiating the conflict that could be put reasonably before the public and the unions.
A suitable opportunity finally presented itself in April, when the "Santa Rosa," an intercoastal steamer manned by a crew of strikebreakers, docked at San Pedro. Declaring the Santa Rosa "unfair," West Coast marine workers refused to work the non-union vessel. The employers decided to discharge all passengers and mail in San Pedro and then reroute the Santa Rosa north in an attempt to unload its remaining "hot cargo." When, as expected, San Francisco longshoremen threw up a picket line around the Santa Rosa, the waterfront employers promptly suspended relations with the union.

That Bridges' removal from office, rather than the public issue of contract compliance, was the employers' main objective became immediately apparent with their announcement that the entire port would remain shut "until Harry Bridges is no longer head of the union." But this smoothly executed lock-out backfired. Instead of discrediting Bridges, it transformed him into a martyr, rallying not only rank and file longshoremen to his defense, but also some of San Francisco's most conservative and respected labor leaders. After the port had been tied up for one week, "Bloody Mike" Casey, an old-line Teamster leader who had openly clashed with Bridges during the 1934 waterfront strike, presented a motion to the Central Labor Council condemning the shipowners. "We can't let the employers tell us who will represent us," he argued, "no matter what we may think of the particular leader who happens to be in question." With the labor movement contemplating some form of direct action to support the longshoremen, the shipowners opened the port the following morning.

Calm had scarcely returned to the waterfront when battle lines began forming once again. In June, an eight-member "Coast Committee for the Shipowners" was assembled to coordinate employer efforts aimed at modifying the longshore agreement scheduled to expire in a few months. Chaired by Plant of American-Hawaiian, and including both Dollar and Matson representatives, the Coast Committee approached contract negotiations with rigid inflexibility, issuing a series of relatively inconsequential but firm ultimatums to the union. In this acrimonious atmosphere, the ILA's "fairly moderate demands," as a leading industry journal characterized the union's position, were rejected outright by the Coast Committee. During the final days of negotiations, a coalition of 26 European and East Coast American lines broke with the Coast Committee, and offered the ILA a separate agreement. Describing the offer as "virtually a capitulation," the commercial press reported "it struck the waterfront like an earthquake."

Buoyed by the prospect of an imminent settlement, the Pacific Shipper editorialized that the employers' conciliatory mood evidenced:

...the lessons which the shipowners have learned in more than two years of incessant contact with the modern labor problem. It explains why they are confident that the disputes will be settled by arbitration and conciliation in the long run; why they are neither as reactionary nor as craven as they have been painted...why such of them as did not know the virtues of moderation before have discovered them now.

But if some shippers had learned "the virtues of moderation," the Big Three were not among them. Working feverishly behind the scenes, they patched up the schism within their ranks and pressed forward with strike preparations. As the union later charged, a "minority group...known on the coast as the 'Big Three,' blocked all reasonable efforts for peaceful settlement." The rift among the employers was even acknowledged by industry sources. Midway through the ensuing walkout, the Pacific Shipper conceded that the aggressive "methods" of the Big Three "have been questioned by other operators--even to the extent of breaking away from their leadership."

The 1936-37 strike ended without significant gains by either side. Yet the employers came away with a deeper understanding of the need for regional organization. The "go it alone" attitude of many shipowners, exemplified in the pre-strike defection of 26 companies from Coast Committee policy, had produced only divisiveness and defeat. To combat the growing solidarity of the marine working class, individual lines, even local port associations, were no longer any match. What the shipowners
needed, Lapham insisted, was nothing less than "One Big Union of Employers." The "Lapham formula" was finally adopted in the summer of 1937, and the Waterfront Employers' Association (WEA) of the Pacific Coast was born. 28

For the WEA to become more than a paper tiger, however, it had to tackle the problem of representativeness. Like any new employer association, the WEA faced the challenge of forging an industry-wide consensus out of the immediate and sometimes conflicting interests of its constituent members. Organizationally, the answer lay in drawing a clear line of demarcation between the WEA and its membership, such that the association acquired what Kerr and Fisher describe as "an institutional character and identity somewhat distinct from that of any of its member firms." Transposed into the language of structuralist Marxism, the WEA had to establish its "relative autonomy" from individual lines in order to legitimately serve as an instrument for representing the industry as a whole. 29

Concern over the representativeness of the WEA ran high among waterfront employers. Given the recent falling out between the Big Three and the 26 defecting lines, it became imperative for the WEA to demonstrate at the outset its independence from either faction. Accordingly, its founding Board of Directors sought a neutral administrator from outside the industry to head the organization. Almon Roth, comptroller of Stanford University for the past eighteen years, was ultimately chosen not "for his ship operating experience, but for his ability to solve public relations problems and to reconcile diverse points of view," observed the Pacific Marine Review, a usually reliable industry journal. With an industry "outsider" at its head, the WEA enjoyed greater autonomy than any of its predecessors, including the many local port associations and the short-lived Coast Committee. 30

Yet the concentrated structure of the industry sharply limited the WEA's independence from the largest employers. This was perhaps most evident in the procedures for allocating votes to each member company. Table 2, which I compiled from internal employer documents, shows the strength of the major voting blocks within the WEA as determined by the total volume of tonnage shipped through Pacific Coast ports during 1936. West Coast operators, including both deepwater and coast-wise lines, held a clear majority of all votes. But within this majority block, the Big Three accounted for more votes than both the 39 coastwise schooner companies and the six remaining deepwater lines, together. The Big Three, with 51 votes between them, directly controlled almost one-fourth of the total votes allocated to all 108 member companies of the WEA. A more detailed breakdown of voting strength shows that only eight other companies received as many as three votes each, and of this small group, only two lines had more than six votes. This highly skewed distribution of voting strength assured the Big Three of a continuing role in leading the employers down a path of maximum resistance to unionism.

(Insert Table 2 Here) 31

Employer Disorganization in New York

The maritime industry in New York was marked by a wider dispersion of capital than in the West. Whereas shipping on the Pacific was dominated by three large firms, the economic landscape in New York was cluttered with more than a dozen medium-size commercial American lines. Without a core leadership group capable of providing port-wide direction, domestic shipping interests remained poorly and incompletely organized, and thus highly vulnerable to union pressure. Unable to resist collectively, individual lines cultivated informal, often collaborative, relations with local ILA leaders.  

The moderating influence of employer disorganization on the New York waterfront was evident as early as 1907 when, during a wildcat dock strike, several coastwise companies broke a "solidarity pact" with deepwater lines in order to accommodate union-wage demands. After settling the strike, the shipowners were still unable to agree on a port-wide labor policy, leaving the basic issue of union recognition up to each company. Though few lines formally recognized the ILA, its presence was tolerated on the more organized docks. This policy of expediency underscored the importance of self-
reliance to New York's already atomized shipowners. Following a decade of such practices, seven separate waterfront associations had emerged to represent the port's increasingly diverse employer interests. This factionalism, concluded a 1918 Labor Department study, is "not particularly favorable for any close association of boat owners...The result has been a more or less aloofness...and a jealously guarded independence on the part of private operators." 32

Employer disunity, however, was conducive to the growth of longshore unionism in New York. By sounding out weak spots among the shipowners and then targeting the most vulnerable lines, the ILA grew from 6,000 members in 1914 to over 40,000 four years later. In the face of the advancing union, waterfront employers offered little or no resistance, even when the relation of forces was clearly favorable. During a port-wide strike in 1919, for example, the shipowners never once threatened to sever relations with the ILA. On the contrary, the degree of support given union leaders in the course of the walkout was, as a contemporary observer noted, "almost without parallel in labor history, and is evidence of the confidence which the shipping interests at the port have in the intention of the organization to observe its agreements."33 After the walkout collapsed, the shipowners still failed to retaliate against the defenseless union. If their seeming restraint was partly a measure of the ILA's conservatism, it also reflected the employers' own capacity for self-organization, limited as it was by the absence of an industry-wide leadership group on the waterfront.

This is not to say that leadership dynamics alone determine how employers are going to respond to unions. Particularly in competitive product markets, it is also necessary to consider the way in which market forces shape, sometimes differentially, the economic interest of rival employers. Where individual firms compete on a more or less equal footing, industry-wide resistance remains relatively easy to organize. This, it seems, was the key to employer organization in New York City's fragmented and leaderless garment industry. Down by the docks, however, where employers were internally divided by differing capacities to tolerate unionism, unity in the face of organized labor was far more difficult to achieve and even harder to maintain.

A leading source of employer disunity on the New York waterfront was the sizable presence of government operators. Commissioned under renewable cost-plus contracts let by the United States Shipping Board, government lines were effectively insulated from market competition. As such, they found it easier than their commercial competitors to absorb the costs of unionism. At the same time, Shipping Board operators, as representatives of the federal government, were necessarily more sensitive to "public opinion" than private interests: they could hardly expect to treat their own workers as harshly as commercial operators treated theirs without being accused of harboring anti-labor biases.34

These conciliatory government operators were a force to be reckoned with in New York. In 1929, government vessels carried almost 10 percent of all cargo handled through the North Atlantic custom district, compared to less than 1 percent on the Pacific. As late as 1931, almost three years after the Board had transferred its Pacific Coast fleet to private ownership, regular government service to New York was still being provided by eight separate lines with a total of 67 vessels. Adding to the government's already considerable influence was the fact that the port's largest domestic carrier--the 187,000 ton United States Line--was under exclusive contract to the Shipping Board.35

Alongside government operators stood some of Europe's most powerful commercial shipping lines. Prior to World War I, European influence had been so pervasive in New York that the port's overseas shippers organized a Foreign Commerce Club to promote their common interests. The withdrawal of most European vessels from the transatlantic carrying trade during the war afforded a brief respite from foreign competition. But the post-war resumption of commercial shipping once again restored European supremacy on the North Atlantic. By 1920, more than half of the nation's overseas waterborne commerce was being carried in foreign bottoms. To protest America's steadily deteriorating position in foreign trade, Herbert Hebermann, President of the Export Steamship Company, then the largest private New York line flying the American flag, resigned from the city's leading commercial
association. In tendering his resignation from the New York Maritime Exchange, Hebermann declared "it was time foreign interests ceased to have a share in the direction of the American merchant marine."36

Foreign influence on the East Coast can also be seen from statistics on overseas commerce. Table 3 compares the volume of domestic and foreign cargo shipments reported for the Port of New York and the Pacific Coast for 1930. The figures on coastwise and intercoastal trade provide a negative measure of foreign penetration, since both categories of domestic shipping were reserved by federal maritime law for American flag ships. On this basis alone, then, over three-fourths (80%) of all cargo passing through Pacific Coast ports was legally protected from foreign competition, compared to less than two-third (62%) of all shipments in New York. The volume of overseas trade represents a more direct measure of foreign influence. Table 3 shows the profound regional disparity in foreign trade, which, in relative shares, was almost two times larger in New York (38%) than on the Pacific (20%).38

New York's greater reliance on foreign commerce placed the port's domestic lines in direct competition with more powerful European lines plying the North Atlantic. This heavily trafficked shipping corridor, already supporting many of the world's largest steamship lines, experienced a wave of corporate consolidations as a result of the depression. In 1930, Germany's two largest lines pooled their enormous resources, bringing three-fourths of the nation's tonnage directly under their control. British shippers retaliated with rationalized transatlantic sailings and mergers. Less than a year later, Britain's four largest companies held in excess of two million gross tons. France's largest line then met this challenge by augmenting its fleet with modern combination passenger-cargo vessels.39

Whereas East Coast lines were "hard-pressed to hold a footing" against such established maritime powers as Great Britain, Germany, France, Italy, Norway, and Sweden, operators in the transpacific trade confronted a more decentralized, less competitive Japanese fleet along with a small number of tramp steamers and European vessels engaged in round-the-world service. Restricted to the coast's comparatively small overseas market, foreign lines lacked both the means and motives to challenge their American hosts. Instead, they tried "to get along," as Paul St. Sure, former head of the West Coast employers association, explained in his 1957 oral history:

The foreign lines on this coast represent a minority of tonnage. They've always taken the position, at least until recently, that "we are visitors in your country. We are a minority group, even on the waterfront. We should not dictate to you how you should handle your labor problems. We would like to get along, but if we can't, we're not going to tell you how to do it."40

In sharp contrast, the highly concentrated European lines servicing the East Coast operated far more independently of domestic shipowners. And, as in the case of government operators, their independence took the form of a more accommodating stance towards dockside unionism. In the first place, foreign lines were better able to absorb higher stevedoring costs. With most voyages originating overseas, European vessels covered great distances, spending most of their time at sea rather than in port. Unlike domestic carriers confined to the intercoastal trade, whose routes took them from port to port, discharging and taking on cargo along the way, foreign lines docked only at ports of origin and destination. Consequently, cargo handling costs constituted a smaller, and therefore more affordable, expense for Europe's deepwater lines. Then, too, foreign operators had a stronger interest in cooperating with dockside labor. Manned by their own offshore personnel, they had little to gain by engaging an American longshore union in an extended and possibly costly confrontation. Their "beef" was with the offshore unions not dockworkers.41

The presence of so many competing interests undermined employer solidarity on the waterfront. When conciliatory foreign and government operators clashed with the port's more intransigent commercial operators, the resulting employer factionalism often worked to the advantage of the union.
Such was the case, for example, during contract negotiations in 1931. The shipowners opened negotiations that year by demanding a significant cut in wages. After the union balked, industry leaders hastily assembled a "Committee of Ten" to bargain on behalf of all waterfront employers in the port. But the appearance of unity masked deep-seated divisions, particularly between foreign and subsidized government lines, on the one hand, and domestic commercial lines, on the other. The former, being generally more tolerant of unionism, openly voiced their concern to avoid a costly work stoppage. ILA leaders then promised that, in the event of a walkout, they would continue supplying union labor to any company willing to meet their counterproposal. In the absence of a few powerful American lines capable of enforcing discipline—as the Big Three in the West had been able to do under similar circumstances in 1936—this selective strike threat shattered the employers' fragile unity. Within hours, Ryan reported that several transatlantic lines "expressed a willingness to meet the demands of the men." As more foreign companies defected, all seven Shipping Board lines in New York promptly signed with the union. The "Committee of Ten," now representing the more intransigent private American operators, reluctantly accepted the union's wage offer, although two of the largest domestic shippers, Grace and United Fruit, refused to sign a union contract.42

This experience drove home the importance of establishing some form of port-wide organization, if only as a defensive measure to prevent the union from playing one shipowner off against another. A few months later, the New York Shipping Association (NYSA) was formed for the explicit purpose of representing all of the port's deepwater lines, both foreign and domestic. Its inclusive membership finally enabled the shipowners to contest the union's effective use of "whip saw" tactics. One of the association's principal objectives was to secure an agreement stipulating that the contract could not be changed through "individual action on the part of a company or union official." This provision, noted a student of the industry, was "mainly inserted to deter the union from concentrating on the weakness of an individual employer to establish a precedent-setting action to bind all employers and the New York Shipping Association.43

The NYSA provided a formal instrument for collectively responding to the union. But its voting procedures, reflecting the fragmented state of the industry, rendered it all but powerless. Unlike the WEA of the Pacific, which codified the influence of the Big Three through proportional representation, each member of the NYSA received one vote, regardless of size. To further restrain powerful minorities, all major policy decisions required approval by three-fourths of all members. With numerous small voting blocks exercising effective veto power, no single interest group possessed sufficient strength to formulate basic policies on matters over which there was any disagreement. Hamstrung by "excessive democracy," the NYSA succumbed to bureaucratic inertia, capable of only passively reacting to union overtures.44

Frustrated in their attempts to influence the direction of the employer organization, many of the port's larger lines established informal bargaining relations with the ILA. Thus, during the 1930s the powerful Clyde-Mallory Line and nine other coastwise companies formed an unofficial negotiating committee to deal directly with the union. A confidential investigation conducted by the U.S. Maritime Commission elaborated on the purpose of this group:

...the representatives of the ten principal coastwise operating lines find it convenient to meet as a body and negotiate basic terms and conditions with the ILA. The same group acts in the same informal manner in settling disputes of a major character that arise under the agreement...All other disputes are settled individually between the companies and the union—in most instances it is a matter of a telephone call—no records of settlements or disputes are kept.

Similarly informal relations later developed between the employer association itself and the ILA. In 1939 the Chairman of the NYSA told a government interviewer that the written contract between both parties was supplemented by "gentlemen's agreements or understandings." Describing their collective bargaining relationship as "one of perfect harmony," the interviewer added that from the standpoint of
the employers, "everything is lovely—they wouldn't change anything even if they had a chance. No problems—no trouble—just peace and contentment all around." And so it would remain for many years to come.

Conclusion

Maritime employers on both coasts responded very differently to the emergence of working class organization on the docks following World War I. Whereas shipowners in the West waged a protracted struggle against longshore unionism, their counterparts in New York established close, and at time openly collaborative, relations with the same union. The very different way that shipowners on both coasts responded to unionization was partly influenced by the character of working class organization itself. In the West where syndicalism was stronger, employer resistance was greater. Yet the absence of any such radical threat on the Great Lakes and the Gulf Coast did not deter shipowners there from responding even more aggressively than on the Pacific. If, as most specialists argue, labor "gets what it deserves," then, clearly, the non-combative unions on the Great Lakes and the Gulf were short-changed.

As this suggests, employer responses were fashioned less as a conscious reaction to the character of unionism—whether conservative or radical—than as an expression of the shipowners' own capacity to constitute themselves as a cohesive social force in opposition to waterfront labor. These varying "class capacities" sprung initially from differences in industry structure. Concentrated ownership in the West created favorable conditions for unifying individual shipowners, whose limited horizons were subsumed under a broader and more militant vision articulated most forcefully by the largest firms. Conversely, the wider dispersion of capital in New York meant that there was no single leadership group powerful enough to transcend the many smaller employers and initiate port-wide organization.

The relative organizational potential of shipowners on both coasts was then shaped by regional economic processes, resulting in markedly different policies toward organized labor. On the Pacific, employer intransigence was a product of their greater capacity for self-organization set within the context of an industry-wide intolerance of unionism. In New York, however, the industry's low tolerance for unionism was never realized in employer resistance. There the absence of port-wide leadership deprived capital of an organizational center of gravity, while competitive advantages enjoyed by foreign and especially government operators reproduced conditions for employer disorganization. Unable to resist collectively, and yet intolerant of independent unionism, New York's domestic shipowners established close working relations with conservative ILA leaders.

All this is to say that it may be necessary to rethink the nature of the relationship between employer responses and industry structure. While it is true that the largest West coast shippers were—in accord with the theory of corporate liberalism—highly conscious of their group interests and, in general, the most far-sighted, their sights were not set on accommodating unions but rather driving them from the waterfront. If anything, it was the smaller, presumably more myopic, companies that were most accommodating. Constrained by an "intolerant" product market that militated against employer organization, they became the voice of "reason" and moderation on the docks, the true corporate liberals. Whatever advantages the largest lines may have enjoyed in dealing with unions had more to do with their own capacity for self-organization than with their greater financial resources, monopoly power or any other such variables that labor economists normally consider. Organizational capabilities, not market situation, ultimately determined how employers responded to unions.
FOOTNOTES

1. The quote is from Barbash 1956, p. 342. For similar statements positing a causal relationship between anti-union employer "ideology" and labor radicalism, see Golden and Ruttenberg 1942, Chapter 3; Taft 1954.

2. The sharply contrasting employer responses to unionism in the West Coast maritime and wood products industries, and the resulting impact on the quality of labor relations, is discussed by Eliel 1949.

3. Ryan is quoted in the ILA's national publication, Longshoremen's Journal, December 1930, p. 3.

4. The quote is from Gorter and Hildebrand 1954, p. 261. For a similar view, see Schneider and Siegel 1956, p. 34.


7. The quote is from Weinstein 1968, p. 4. For similar treatments of corporate liberalism, see Williams 1966, esp. pp. 390-413; and Radosh 1983, p. 16

8. Hodson 1983, p. 16


11. For an analysis of the Wobblies' deeper penetration in the west, see Kimeldorf, 1985.


13. On U.S. Steel's domination of the Lake Carrier's Association, see Larrowe 1959, chapter 3.

14. Data are from the American Bureau of Shipping 1930. These figures are limited to non-industrial carriers of at least 1,000 gross tons. Company totals include all wholly owned subsidiaries, as identified in Moody's Manual of Investments. American and Foreign. Industrial Securities. 1931, New York, pp. 304, 2762.

15. Camp 1947, p. 413.

16. Plant 1956, p. 33


18. The government mediator is quoted in Clements 1975, p. 113. The estimate of coastwise cargo is from Business Week, July 14, 1934, p. 7.
19. San Pedro’s strikebreaking expenses are reported in Dunne n.d. (1934?), p. 41.
20. The San Francisco meeting is reported in the San Francisco Chronical May 12, 1934, p. 1.
21. The La Follette quote is cited in Lucy 1948, p. 211. Lapham’s Washington visit is mentioned in Larrowe 1977, p. 100.
24. La Follette Committee Hearings, pp. 1068, 1069.
25. The employer lockout is covered in Larrowe 1977, p. 108.
28. The "Lapham Formula" is covered in Business Week, October 24, 1938.
31. The categorization of operators presented in this table reflects the major voting blocks within the WEA at the time of its incorporation, as identified by internal employer correspondence. Both the data used in constructing this table and the supporting correspondence are from Waterfront Employers Association Papers, Memorandum from A. Boyd to Mr. A.E. Roth, dated June 19, 1937.
32. On the 1907 strike, see Barnes 1915, pp. 118, 119. The Labor Department study is by Squires 1918, p. 47.
33. Squires 1919, pp. 100, 114.
34. On the government’s role in the maritime industry, see Smith and Betters, 1931.
35. Cargo statistics for 1929 are from U.S. Department of Commerce 1932, p. 413. Information on the extent of government service to New York is in Smith and Betters, 1931, pp. 92, 93.
Data for foreign and coastwise shipments are from U.S. Department of Commerce 1932, p. 400. Intercoastal shipments are only reported in "long" cargo tons of 2,240 pounds. See U.S. Shipping Board 1930. The estimates for intercoastal shipments presented here are thus based on the number of long tons plus an added 10.7% to account for the difference between long and regular cargo tons of 2,000 pounds.

These figures fail to reflect the full economic significance of foreign trade to commercial shipping. In the first place, they refer to volume, rather than dollar values, of cargo. Yet shipowners are compensated not only on the basis of volume, but also according to the distance a shipment is carried. In comparing categories of shipping, then, it is important to bear in mind, that while the volume of coastwise shipments is larger owing to the shorter distance and greater frequency of sailings, the rate per cargo unit is considerably less than in intercoastal and, particularly, long distance overseas trade. Consequently, the dollar value of foreign trade, and thus, its significance to commercial shipping, far exceeds its relative importance as measured by tonnage. Secondly, cargo figures, of course, do not reflect revenue earned from passenger traffic. Yet this was a far more important source of income in the East than in the West. In 1929, for example, transatlantic tourists outnumbered transpacific tourists by a ratio of 19 to 1. See Radius 1944, p. 12. In short, foreign commerce was an even more vital part of New York's maritime industry than tonnage figures alone might indicate.

March 21, 1931, p. 6.


On the more compliant posture of foreign operators, see Levinson 1966, p. 154.


On the NYSA, see Collins 1955, p. 28.

The internal procedures of the NYSA are outlined in U.S. Maritime Commission Papers, Record Group 157, File 095, 1938-1942. "New York Shipping Association," dated January 24, 1939.

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<th>Title</th>
<th>Publisher</th>
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<td>The Longshoremen</td>
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### Table 1

Gross Tonnage of Vessels Owned by the Ten Largest American Lines Headquartered on the Pacific Coast and New York City, 1930

<table>
<thead>
<tr>
<th>Pacific Coast Lines</th>
<th>Gross Tons</th>
<th>Cumulative % of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Matson Navigation Co.</td>
<td>301,206</td>
<td>24.8</td>
</tr>
<tr>
<td>American-Hawaiian SS Co.</td>
<td>262,891</td>
<td>46.4</td>
</tr>
<tr>
<td>Dollar Co.</td>
<td>203,439</td>
<td>63.1</td>
</tr>
<tr>
<td>Pacific Atlantic SS Co.</td>
<td>99,639</td>
<td>71.3</td>
</tr>
<tr>
<td>American Mail Line</td>
<td>70,730</td>
<td>77.1</td>
</tr>
<tr>
<td>Pacific SS Co.</td>
<td>68,260</td>
<td>82.8</td>
</tr>
<tr>
<td>States SS Co.</td>
<td>67,600</td>
<td>88.3</td>
</tr>
<tr>
<td>Alaska SS Co.</td>
<td>54,311</td>
<td>92.8</td>
</tr>
<tr>
<td>Tacoma Oriental SS Co.</td>
<td>44,072</td>
<td>96.4</td>
</tr>
<tr>
<td>Alaska Packers Assn.</td>
<td>43,561</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,215,799</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New York City Lines</th>
<th>Gross Tons</th>
<th>Cumulative % of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States Lines</td>
<td>187,871</td>
<td>16.2</td>
</tr>
<tr>
<td>Luckenback SS Co.</td>
<td>147,443</td>
<td>28.9</td>
</tr>
<tr>
<td>Export SS Co.</td>
<td>126,308</td>
<td>39.7</td>
</tr>
<tr>
<td>Munson SS Line</td>
<td>125,848</td>
<td>50.6</td>
</tr>
<tr>
<td>United Fruit</td>
<td>110,924</td>
<td>60.2</td>
</tr>
<tr>
<td>Grace SS Co.</td>
<td>108,702</td>
<td>69.5</td>
</tr>
<tr>
<td>Moore &amp; McCormack</td>
<td>98,512</td>
<td>78.0</td>
</tr>
<tr>
<td>Eastern SS Line</td>
<td>92,647</td>
<td>86.0</td>
</tr>
<tr>
<td>American Line SS Corp.</td>
<td>81,693</td>
<td>93.1</td>
</tr>
<tr>
<td>Bull SS Co.</td>
<td>80,585</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,160,533</strong></td>
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Table 2

Distribution of Votes in the Waterfront Employers Association of the Pacific, June 1937

<table>
<thead>
<tr>
<th>Operating Category</th>
<th>Number of Companies</th>
<th>Number of Votes</th>
<th>Percent of Total Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Coast Deepwater Lines</td>
<td>9</td>
<td>84</td>
<td>38%</td>
</tr>
<tr>
<td>Big Three</td>
<td>3</td>
<td>51</td>
<td>23%</td>
</tr>
<tr>
<td>Others</td>
<td>6</td>
<td>33</td>
<td>15%</td>
</tr>
<tr>
<td>Coastwise Steam Schooners</td>
<td>39</td>
<td>41</td>
<td>18%</td>
</tr>
<tr>
<td>East Coast Deepwater Lines</td>
<td>10</td>
<td>34</td>
<td>15%</td>
</tr>
<tr>
<td>Foreign-owned Lines</td>
<td>50</td>
<td>64</td>
<td>29%</td>
</tr>
<tr>
<td>Total</td>
<td>108</td>
<td>223</td>
<td>100%</td>
</tr>
</tbody>
</table>
Table 3

Distribution of Waterborne Commerce by Type of Service for Ports on the Pacific Coast and New York City, 1930–37

<table>
<thead>
<tr>
<th></th>
<th>Pacific Coast</th>
<th>New York City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cargo Shipments</td>
<td>94,843</td>
<td>69,535</td>
</tr>
<tr>
<td>(in thousands of cargo tons)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of Total Shipments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>80</td>
<td>62</td>
</tr>
<tr>
<td>Coastwise</td>
<td>70</td>
<td>56</td>
</tr>
<tr>
<td>Intercoastal</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Foreign</td>
<td>20</td>
<td>38</td>
</tr>
</tbody>
</table>