

# Denim mill in Greensboro, North Carolina closes after 112 years

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International Textiles Group (ITG) has announced it is closing Cone Denim's White Oak Mill in Greensboro, North Carolina, resulting in job losses for 200 employees. The White Oak Mill opened in 1905 and has been manufacturing selvage denim since the 1940s.

Selvage denim is tightly woven denim created using shuttle looms. The denim produced is finished with a tightly woven band that prevents fraying, raveling or curling. The White Oak Mill Cone Denim plant used American Draper X3 looms from the 1940s and 17 oz. Denim fabric, which many clothing companies consider a great medium for jeans.

As a response to many textile mills moving overseas, Cone Denim began marketing their selvage denim as a high-quality and unique, made-in-America product. To meet the increasing demand for the rising trend of small-batch selvage jeans, which are marketed to wealthy customers and can range in price from \$90 to \$200, Cone Denim had to increase their production by 25 percent in 2013.

The company retrieved its underutilized looms from storage and even acquired additional Draper X3 looms from closed mills. In January 2016, Ken Kunberger, president and CEO of ITG, told *Triad Business Journal*, the high demand could be attributed to "our Made-in-America platform. ... It's settled into a nice pocket of what we consider a sustainable business to very niche-type customers. The demand is much bigger than we have capacity to produce."

This success was short lived, however, and on December 31, 2017 the factory will cease all operations.

Spokeswoman for ITG, Delores Sides, told *Triad Business Journal*, a decrease in orders for selvage denim is the main reason for closure. "An increase in our customers that are sourcing for fabric needs outside the US has significantly reduced the order volume within the facility."

North Carolina is the center of the textile industry in the United States, employing over 42,000 in approximately 700 textile facilities. To lure industry, North Carolina boasts of the lowest corporate tax rate in the US—3 percent—and the second-lowest unionization rate. Regardless, these measures have done little to nothing to prevent industries from

leaving. According to Federal Reserve Economic Data, North Carolina employment in the textile sector has fallen more than 82 percent since the mid-1990s.

The fate of the White Oak Mill exposes the fraud of the Trump administration's "America First" pretensions of rebuilding the domestic industrial economy.

International Textiles Industry was formed when W.L. Ross & Co. acquired the assets of Burlington Industries and Cone Mills Manufacturing in 2003 and 2004, respectively. W.L. Ross & Co. is owned by current US Secretary of Commerce, Wilbur Ross. The billionaire Ross is known as the "bankruptcy king" and made his fortune by acquiring struggling companies, gutting pensions and wages, eliminating jobs, and then flipping the businesses for a profit. Ross offloaded ITG in late 2016 to Platinum Equity for \$99 million.

Platinum Equity has a record of being just as ruthless to workers as W.L. Ross & Co. Since 1995, Platinum has flipped 155 of the 185 acquisitions it has made. Platinum Equity made a name for itself in the financial crisis of 2008 by acquiring 14 companies in the first 11 months of 2009.

The Southeastern United States has a rich history in textiles and became the center of the industry in the United States after the Civil War, when many companies moved their operations to the South to take advantage of cheap labor and the close proximity to cotton crops.

Business boomed for the textile industry during World War I, when many mills raked in huge profits from military contracts. Mills supplied soldiers with uniforms, tents and other necessary textile goods.

After the war ended, mills continued to produce at the same rate, but with less demand. Profits plummeted and many workers were laid off. The workers remaining were required to work more looms for less money. Workers began referring to this period as the "stretch-out."

Small strikes during the stretch-out resulted in little success. The stock market crash of 1929 and the subsequent Great Depression only worsened working conditions. There were hundreds of small strikes during this time, but most

were isolated and unsuccessful. Most notable was the Loray Mill strike of 1929 in Gastonia, North Carolina. During the dispute, striker Ella Mae Wiggins was murdered by a group of armed men who forced the pickup truck carrying her and three other men to pull over. Wiggins and the other passengers were headed to a union meeting. The Loray Mill strike collapsed soon after her murder.

In 1934, the Great Depression, the stretch-out, and increasingly horrible working conditions had taken its toll on most textile workers in the south. Workers had put their faith in president Franklin Delano Roosevelt and the National Industrial Recovery Act (NIRA) to address the horrendous working conditions in the textile industry. Roosevelt's National Recovery Administration (NRA), however, was a toothless agency unable to enforce even the most minimal regulations of the NIRA.

With the blessing of the NRA, mill workers were required to work even more hours with less pay. The United Textile Workers (UTW) union threatened a strike. However, mill owners were familiar with the empty threats of the UTW. When the NRA promised to give the UTW a seat on their board, the UTW called off the strike. Local workers, on the other hand, had lost all faith in the NRA and on September 3, mill workers began walking out.

On September 3, Gastonia mill workers began their strike while celebrating their city's first Labor Day parade and traveled to nearby mills to encourage others to join the strike. Striking mill workers traveling by trucks, dubbed "flying squadrons," drove from mill to mill calling for workers to walk out. Word of mouth traveled quickly, and within a week, over 400,000 textile workers were on strike, despite never receiving the sanction of the UTW. This effectively shut down the textile industry.

Not wanting to be left behind by the momentum of an independent strike, the UTW drew up a list of demands for the industry as a whole: a 30-hour week, minimum wages ranging from \$13.00 to \$30.00 a week, elimination of the stretch-out, union recognition, and reinstatement of workers fired for their union activities.

However, strikers received very little support from local governments and unions. Churches were unsympathetic to the struggles of the strikers. After a short time, workers found themselves without food and resources. The UTW officially called off the strike on September 22 and workers returned to the mills without receiving any of their demands. Ironically, the unions held victory parades for the end of the strike.

Labeled as "foreign agitators" and "reds," thousands of strikers were blacklisted. Abandoned by the unions and President Roosevelt's promise of reform, the 1934 strikers found themselves unemployed and unable to find a job.

Those involved in the 1934 strike, and who were not blacklisted, did not speak of the strike and gave up hope of ever receiving better working conditions.

After World War II, textile companies began moving their US mills overseas to reap higher profits by taking advantage of lower wages. Many overseas factories began using more modern projectile looms to create their fabric, thereby further increasing profits for clothing companies.

Today, what few textiles mills are left in the US are increasingly using automated machines. This, according to the National Cotton Council of America, makes the United States the most productive in the world. But automation in a for-profit economy also means fewer jobs. The White Oak Mill Cone Denim plant was able to avoid updating their looms with automated machines by taking advantage of the nostalgia and nationalism associated with cotton grown in the United States being woven on antique looms.

Time and time again, workers have put their faith in trade unions and politicians promising to "bring back jobs to America" or improve working conditions, only to be met with betrayal. No amount of "made-in-America" or "America first" demagoguery will prevent the ruling class from unfettered profitmaking.

Textile workers—whether in the American South or in Bangladesh, Egypt, Vietnam or Guatemala—face the same fundamental enemy: the anarchy of capitalist production, which scours the globe for the cheapest sources of raw materials and human labor. Only an independent movement of the international working class, unified in a fight against the systemic source of their exploitation, can reorganize industry to meet human need.



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