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Introduction to *Capital Moves: RCA’s Seventy-Year Quest for Cheap Labor*

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Introduction to *Capital Moves: RCA's Seventy-Year Quest for Cheap Labor*

**Abstract**

[Excerpt] This book examines not just RCA's most recent move to Mexico but a whole series of relocations of the company's radio and television manufacturing from the 1930s to the 1990s. Revealing a much longer and more complicated history of capital migration than we tend to hear about in the "global era," the story moves through four very distinct places and cultures as it examines the remarkably similar experiences of all of them with a single industry. Beginning with Southern and Eastern European immigrants in industrial New Jersey during the Great Depression, RCA moved production to employ ethnic Scotch-Irish workers in rural Indiana in 1940, briefly employed a combination of African American and white wage earners in Tennessee during the 1960s, and, since 1968, has employed Mexican workers in the border state of Chihuahua. Taken together, the chapters that follow comprise a comparative social history of industrial relocation that explores community life, gender, and labor organization across time and space. Placing the impact of capital migration on these working-class communities in a context that is both historically and internationally comparative, this book shows how social changes at the local level drive the relocation of capital investment.

**Keywords**

RCA, labor markets, industrial investment, capital, migration, employment

**Disciplines**

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**Comments**

**Suggested Citation**

A lot of people have built their dreams and their houses and their families around working for that company.” Bill Breeden, a trucker who hauled RCA television sets and parts between Indiana and the Mexican border, had just heard the announcement that the assembly plant in Bloomington was to be shut down permanently. “Those workers have given their life, really, and their blood, many times, under poor working conditions, for years and years to build a television, a product, that made a lot of people rich.” Management had given the labor force the option of taking an enormous wage cut in order to save their jobs, but the television makers knew when enough was enough. In 1998, when the factory gates shut for the final time, the last of the Bloomington jobs followed a well-worn trail carved by thousands of other RCA positions that had been slowly shifted to the company’s burgeoning factories in Ciudad Juárez since the 1960s. Many workers who were facing hard times in the NAFTA era vented their anger at the Mexicans who were “taking American jobs.” But Breeden, who was familiar with the workers of both nations, saw the issue in more complex terms. After all, he explained, “If someone was to come here and bring a plant here and offer us a job now, would we sit back and say, ‘Well, we can’t take this job because it’s somebody else’s job’? The fact is, we wouldn’t, and they realize that.”

Ironically, and unknowingly, the trucker had described exactly what the Indiana workers did when RCA relocated production out of Camden, New Jersey, to Bloomington almost sixty years earlier—they “took” the jobs of others.

This book examines not just RCA’s most recent move to Mexico but a whole series of relocations of the company’s radio and television manufacturing from the 1930s to the 1990s. Revealing a much longer and more complicated
history of capital migration than we tend to hear about in the “global era,” the story moves through four very distinct places and cultures as it examines the remarkably similar experiences of all of them with a single industry. Beginning with Southern and Eastern European immigrants in industrial New Jersey during the Great Depression, RCA moved production to employ ethnic Scotch-Irish workers in rural Indiana in 1940, briefly employed a combination of African American and white wage earners in Tennessee during the 1960s, and, since 1968, has employed Mexican workers in the border state of Chihuahua. Taken together, the chapters that follow comprise a comparative social history of industrial relocation that explores community life, gender, and labor organization across time and space. Placing the impact of capital migration on these working-class communities in a context that is both historically and internationally comparative, this book shows how social changes at the local level drive the relocation of capital investment.

Today it is not uncommon for workers to discover that their plant is to be relocated to a low-wage haven carefully selected for its abundance of underemployed people desperate for jobs. Nor is it rare for a corporation to exploit gender identities to create the desired malleability in a workforce on the periphery of the world economy or for a blue-collar community to become embroiled in bitter competition with another place of a different culture where industrial investment has fled. The marketplace, once an actual location for the exchange of goods and services, seems to have grown into a free-flowing torrent of capital and information that threatens to overwhelm workers’ grasp on the pace of history. Pacts such as the North American Free Trade Agreement (NAFTA) place an official stamp on the idea that we live in a new era defined by the mobility of capital and the weakening of organized labor and the regulatory state. Symptomatic of the “reformation of capitalism,” the “locational revolution” in production, and the “manic logic” of globalization, these new developments, it is often argued, have recast the world economic system at tremendous cost to workers and their communities.

Rather than marking a radical departure from past practices, however, the RCA story suggests that many of the disquieting trends that add up to today’s upheavals have parallels deep in twentieth-century labor history. Although the pace and scope of events may have increased as the century waned, industrial capital has been engaged in a continuous struggle to maintain the social conditions deemed necessary for profitability. “Offshore” production may be a focus of political attention today, but neither the causes of the transnationalization of production nor the problems it creates differ dramatically from those of the transregionalization of industry several decades earlier. Moving employment across an international boundary does mark a very important development, particularly as it throws into question the role of the nation-state as overseer of industrial relations, but it nonetheless stands as a continuation of earlier patterns and strategies.
Sites of RCA television assembly operations, 1929–1998
Each of RCA’s plant relocations represents the corporation’s response to workers’ increasing sense of entitlement and control over investment in their community. Capital flight was a means of countering that control as the company sought out new reservoirs of controllable labor. The search for inexpensive and malleable workers that shaped each location decision had its own subversive logic, however: the integration of production into the economy and social life of the new site irrevocably transformed the community into a new place of conflict with the corporation. In each location, a glut of potential employees shrunk over time into a tightening labor market, once-deferential workers organized into a union shop, and years of toil on the shop floor recast docility into a contentious and demanding, if isolated and ambivalent, working class. The geographic terrain inhabited by capital was far larger than labor’s niche, however, and corporate leaders chose to move once the cultural resources of the old site no longer suited their needs. The shaping of the economic and social landscape, therefore, must be understood as a tale not simply of the unilateral power of capital but, equally important, of the resources wielded by workers who chose over time to fight for a position independent of management’s well-laid plans and expectations.

The title of this book, Capital Moves, implies not only geographic mobility but an entire series of social changes that industrial investment sets in motion on the local level. The rhythms of change pounded out at each site hardly cause North American workers to march in unison, but they do merge into a sort of staccato beat of social transformation. The excitement and civic pride of being awarded a plant by a major corporation, the initial awe inspired by laboring side by side with thousands of other workers in a vast industrial complex, the simple facts of stress, fatigue, and swollen hands, and the process of organizational struggles all proceed in parallel fashion at the various sites and times. As wage earners punched in and punched out over the years, their feelings evolved from a sense of gratitude to the company to one of possession that allowed them to stand up for an expanding notion of their rights. Yet the labor markets investigated here do not develop in a simple linear or teleological fashion. The historical contingency of this migration is underscored by the Memphis plant, which, originally projected to be a key part of the RCA family, lasted less than five years. Further variations—such as defense spending, Third World development problems, global market changes, technological developments, and the attributes of the particular community—combine to make each case unique. In all instances, however, any sense of entitlement was vulnerable as RCA workers found themselves competing with workers in distant places. Their locational and cultural resources were restricted and at times totally undermined by what to them was an abstract and faraway alternative to their own place.

In dramatic contrast to the parallel community stories told here, this re-
search was originally conceived as a way of illuminating the presumably many and dramatic differences between the experiences of the various communities. By looking at several cities in a variety of periods, I at first thought, I would explore the sharp divide between an old labor relations system and a "new international division of labor," delineate the stark opposition between a seasoned male workforce in the United States and thousands of young women in Mexico, and reveal the gulf between labor-intensive Mexican sweatshops and a well-established, if greatly weakened, U.S. collective bargaining system. I was surprised to find, however, that RCA workers in all the sites exhibited amazingly high levels of shared experience across time and space. In an age in which the political celebration of difference and the intellectual examination of the singular and unique dominate the stage, I found commonality not just in the ways of work but, most important, in the challenges and opportunities RCA workers faced across North America in the twentieth century. One of my hopes, in fact, is that workers may be able to recognize their own experiences across the barriers of national experience, ethnic difference, and geographic distance.

Framed within the overarching tension between the requirements of capital and the social change sponsored by industrial production are several supporting themes that develop as the story unfolds. First, the vast majority of the employees, at least at the opening of each factory, were women. Although a rigid sexual division of labor and the almost exclusive hiring of young female employees are often associated with foreign export-processing zones, they were fundamental industrial relations strategies in the electrical industry from Camden in the 1930s to Juárez in the 1990s. How the gendered labor market was constructed in one locale and then, as it was transformed, rebuilt at a new site forms an important theme. RCA's peregrinations reinforced the difference between highly skilled, high-technology "male" work and low-skilled, labor-intensive "female" work by separating the two labor processes not just on the shop floor but by region and nation as well. The initial importance and the subsequent replaceability of young women workers who built consumer electronics in all of these locations spotlight the need to adjust the popular image of the unemployed male steel or auto worker as the quintessential victim of deindustrialization. Women, whether at the shrinking center or growing periphery of industrial production, have borne the brunt of the process of restructuring both past and present.

Second, I also question labor historians' reliance on the "labor-management accord" as the ruling paradigm for understanding the uneasy truce between labor and capital in the decades of general prosperity after World War II. Though the period of mutual recognition between business and labor formed a golden age for many workers in liberal democracies around the world (including Latin America), it was significantly less stable or uniformly
prosperous than many observers believe. Most historians date the disintegra-
tion of the pact in the mid-1970s or beyond, but RCA’s plant location deci-
sions in the 1930s and 1940s suggest that management may have been signifi-
cantly less committed to its end of the bargain than many analysts presume.
Although manufacturers of consumer electronics faced a much more com-
petitive market than the makers of automobiles and other durable goods, this
book adds fuel to the argument that the rust belt began to rust not with the
multiple economic problems of the 1970s or the globalization of the 1980s
and 1990s but with the complexities of the immediate postwar period.  

Another theme challenges the idea that plant location decisions are based
on static variables. Although RCA’s site selection process may have involved
many important issues, the evolving social history of working people was
at the center of the story. Traditional location theory points to tangible fac-
tors such as geographic proximity to markets, raw materials, and cheap and
appropriately skilled labor as key elements in firms’ plant–site decisions. Ad-
vances in communication and transportation, hastened by interregional ri-
valries for investment, however, have largely liberated firms from such con-
siderations and allowed capital to evolve from a pattern of centralization into
an increasingly dispersed geography of production. In the process the old
manufacturing centers have been abandoned to the economic wilds as new
factories have cropped up to take their places in green fields around the na-
tion and, later, the globe. As the RCA case demonstrates, however, choices of
industrial locations were fundamentally tied to the local history of each site.
Labor was not the calculable and static factor of production it appears in
plant location theory; workers instead were social actors involved in the very
development of economic geography. If laborers can at all be regarded as his-
torical agents—even unintended and contradictory ones—they must be seen
as geographic agents as well.  

This book, therefore, focuses on the relationship between industrial in-
vestment and social change, and it is only peripherally concerned with the
well-studied impact of “deindustrialization.” The firm that abruptly closes
down and abandons its workers to the streets, although perhaps the domi-
nant image of the problem, is actually much less typical than the plant that
undergoes a more subtle process of cutbacks, attrition, and the gradual relo-
cation or elimination of industrial jobs. The closure of any plant is of politi-
cal and social concern, but the final shutdown of a factory—the act that
draws the public’s attention—usually comes only at the end of a long, silent
process of job relocation. These evolutionary changes in the employment
structure often mask much of the subtle drama of labor history and hide
from the actors themselves both the profundity of the transformations and
the continuities in the pattern of events. Such is the case with this history of
RCA’s radio and television assembly, which can be understood as a “runaway
shop" only in the loosest sense, as the corporation shifted employment opportunities over the course of decades rather than simply relocating entire factories wholesale.6

My final and broadest argument, developed particularly in the last chapter, questions and complicates the fundamental tool of much of social history, the community study. Years of locally based investigations, the stock in trade of the so-called new labor history, have left the newest generation of labor historians with an ambivalent inheritance. What we have learned is that the rich reservoir of resistance and accommodation to the inequities of the market can often be found in the complex set of relationships, customs, and values established within the community context. The ways workers have mobilized on the local level in the face of both economic change and the political orders developed to support it have formed the core of much of the social and political history of working people. Class, as E. P. Thompson explained, was not a structural determinant but a changing historical relationship. In the United States, Herbert Gutman and his students launched the investigation of local working-class cultures in scores of communities and concluded that the cultural resources of wage earners have been the cement that bonded workers together in countless well-documented locales.7

Yet when labor historians venture very far into the twentieth century, their emphasis on culture and community all but disappears as economics, institutions, and the state take center stage. The colorful cultural tapestry of the nineteenth century seems to fade mysteriously into dull shades of gray. Unlike the working-class culture that emerges from analyses of earlier epochs, the historian Leon Fink explains, that of the twentieth century "is used less to account for capacity or empowerment than for somnolence or passivity."8 Clearly, many forces are at work eroding the power of working-class communities in the twentieth century: the homogenizing forces of the market, the pull of the consumer nexus, and the increased role of the state have all served to undermine the uniqueness of communities as oppositional locales. New veins of cultural resistance that parallel those uncovered for the nineteenth and early twentieth centuries may be found when historians dig into the newest waves of immigrants from Asia and Latin America; essentially, however, twentieth-century working-class communities remain uncharted terrain much beyond the New Deal.9

One of the goals of this book is to encourage new approaches to labor history by reinvigorating the idea that the shared experience formed within the context of culture and community is often the source of agency and power—even today—while also arguing that community is one of the key limitations and weaknesses of working-class mobilization. Moreover, evolutions in culture are linked to economic transformations. The sources of the changing geography of capitalism and its impact on a community can be found at the
local level but can be understood only through a global view of labor-capital relations. The changing nature of space—economic, cultural, and political—can supplement changes over time as a fundamental way of approaching the history of labor. By situating working people on a vast and competitively charged field of industrial location choices, historians find their understanding of class tensions complicated by the problem of a fragmented social geography.

The RCA story exposes how blue-collar communities function as fundamental sources of both power and resistance in industrial relations while simultaneously creating deeply problematic social and political obstacles to the building of solidarity beyond the borders of a shared sense of place. When we expand the analysis beyond the single place that informs the majority of community studies, we are forced to rethink the nature of labor’s power when we see “militancy” in one region in competition with “docility” in another. In sum, the community can be understood as one of workers’ basic resources in their contest with industry as well as one of the key weaknesses in workers’ ability to act on the transnational—or even transregional—level of awareness and organization.

As each community is unique, however, so is each industry. A word on the idiosyncrasies of the consumer electronics industry is therefore in order. This sector suffers most acutely from one of the most enduring problems of free enterprise: overproduction. The constant revolution in materials and manufacturing has produced more goods ever more efficiently with fewer inputs, and this phenomenon has continued to lower prices and undermine the rate of return on investment for firms willing to enter this fiercest of industries. Since the advent of both radio and television, each generation of consumers has been able to purchase a better product at a lower price than the previous one. Crisper pictures, clearer sounds, and more compact sets have all been delivered to consumers with a shrinking price tag. With a relentless downward pressure on production costs, the search for cheap labor has held a pivotal position in firms’ strategies to beat their competitors. This pressure has placed the burden of low prices on the shoulders of people toiling on an assembly line that stretches from New Jersey to Chihuahua. Because of the particularly brutal competition that shapes this market, the RCA story offers a more compressed and heightened example than is likely to be found in other industries. The tale of this company’s flight, rather than emblematic of larger trends, might more appropriately be regarded as a bellwether for the broader path of industrial employment.10

Chapter 1 demonstrates that the struggle to organize the massive RCA Victor complex in Camden, New Jersey, during the 1930s was an instrumental push
factor in the company's decision to decentralize its production. In a classic CIO-era battle, the company met the United Electrical Workers' effort to win a contract in Camden with determined resistance. When the workers nevertheless prevailed, RCA still held the trump card: to escape the costs of the union contract, it relocated the manufacture of goods that faced particularly sharp competition to the Midwest. Since the experiences of workers in the old northeastern industrial belt, such as those of Camden, inform a disproportionate share of our understanding of twentieth-century labor history, Chapter 1 also offers an interesting point of departure and comparison for the less-studied locations to follow.

Chapter 2 follows RCA to Bloomington, Indiana, and analyzes both that community's attractiveness as a plant site in 1940 and the subsequent changes brought about by the presence and growth of the factory. Bloomington had many of the characteristics that made the U.S.-Mexican border attractive decades later, but the social conditions of the plant itself slowly ate away at the docility and cheapness that RCA originally found so alluring. By the 1960s, a newly aggressive labor force created problems that began to resemble, in muted ways, the tensions at the original site in Camden.

Before crossing an international boundary, RCA moved across another border, the Mason-Dixon Line. Chapter 3 turns to RCA's short-lived expansion into the southern United States during the tumultuous 1960s. The timing and choice of Memphis as a plant site proved to be disastrous: market pressures pushed the workforce beyond its limits and the obedience the company expected to nurture in Tennessee failed to materialize. RCA shut the plant less than five years after it opened and found workers more appropriate to its needs in the developing world.

The second half of the book marks the beginning of binational production as Chapter 4 moves to Ciudad Juárez and analyzes the border economy's re-orientation toward the global market. Many analysts point to a new system of industrial relations and plant location theory in the border zone, but in fact the same factors that shaped RCA's choice of Bloomington and Memphis went into the decision to open production in Juárez. Spurred by the presence of RCA, the growth of foreign-owned factories (maquiladoras), however, initiated a dramatic departure for the local economy of northern Mexico and laid the groundwork for what would soon grow into one of the most industrialized regions in North America.

Returning to Bloomington, Chapter 5 reveals how the draining of employment to Mexico turned the tide on the Hoosiers' demands upon the company. As in Camden, changes in the geography of production forced dwindling numbers of RCA employees in Bloomington to surrender many of the gains they had won during the height of the company's employment in
Figure 1.1. RCA employment in consumer electronics production, Camden, Memphis, Bloomington, and Ciudad Juárez, 1936–1998. The figures for Camden include all employment there (including workers on assembly, cabinetry, and parts production) before 1939; figures during and after World War II include only workers on consumer electronics. Total figures for Camden after 1940, which included defense workers, are higher than those shown.

the community. The specter of a complete shutdown of the operation loomed over labor-management relations until the plant closed permanently in the spring of 1998 (see Figure 1.1).

Chapter 6 traces the growth of employment by transnational corporations along the Mexican border and explores the tremendous obstacles workers faced in their efforts to improve their economic well-being and democratize their union. Although many of the changes evident in the other cities could be found in Juárez, working-class politics in the city were inextricably tied to Mexico’s economic and political crises. Nonetheless, despite the obstacles they faced, the RCA workers achieved power and success there too.

Finally, Chapter 7 investigates the spaces in between the four locations. Here we see how workers perceived their counterparts in other cities, the obstacles to transregional and transnational organizing, and the tensions between the needs of communities and the demands of capital.

What follows is a migratory history of which even the participants could grasp only parts. By discussing workers caught up in similar situations at different times and in different places, I attempt to explain how workers’ collective efforts, in painful and ironic ways, helped to shape the geography of an
industry. Rather than offer a dour tale of shutdowns, I redirect the emphasis toward a hopeful story of plant openings in which sweeping historical transformations can be traced to a myriad of seemingly minute changes among thousands of unknown workers. First the wage earners of Camden, then those of Bloomington and Memphis, and finally those in Juárez were swept by the winds of plant location and relocation into place-bound struggle over private investment. The new locales were always sites of tremendous optimism for women and men eager to work for a living wage. Looking beyond the specific problem of capital migration, I hope this book will also serve as an introductory tour to many of the complexities faced by a broad spectrum of working people throughout the twentieth century. Even more ambitiously, I hope that readers may gain a sense of how the aspirations of workers across the continent shaped, however ironically, at least one slender slice of history.