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# SHTARKER; The Convergence of Organized Crime and Organized Labor in New York Garment Industry, 1920-1940

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SHTARKER:  
THE CONVERGENCE OF ORGANIZED CRIME  
AND ORGANIZED LABOR IN THE NEW YORK  
GARMENT INDUSTRY, 1920-1940

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A short walk from New York's Penn Station stands a larger-than-life replica of a needle threading a black button. Only a few blocks west, students walk through the door of the Fashion Institute of Technology's David Dubinsky Student Center. These polished images and landmarks of the Garment District's past are a far cry from the tumultuous decades that shaped this densely-packed urban landscape in the years between the first and second World Wars. It was in this time period that New York's Garment District emerged as an area that concentrated an array of social forces that crossed paths and rubbed shoulders on the bustling streets of Manhattan's West Side.

Today the Garment Center Synagogue, the Amalgamated Bank on 7<sup>th</sup> avenue, the string of discount textile storefronts that line 35<sup>th</sup> street, and the aforementioned monuments are but a few of the visible signs from the area's past. The history of the Garment District serves as an important example of the constantly changing, unfixed nature of modern capitalist society. The ascension of American Jews into the middle-class has been a general condition that has existed for several decades now, and one that we have had reinforced in a countless amount of ways through media and culture. It is in this current reality, this conventional norm, that we look back at the years of the 1920s into the 1940s, when a majority of people that worked, operated, organized, and at times terrorized the Garment District were Eastern European Jews. The economic and social strata of Jews within the Garment District during the first half of the 20th century represents a long-forgotten, but very real breed of Jews: workers engaged in manual labor, communists, and gangsters. All three of these economic/social strata converged in the Garment District to produce a volatile mix that serves as the basis for this thesis.\*

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\* *Shtarker*, the title comes from a Yiddish term for a strong person, a tough guy.

The emergence of organized crime, militant union struggles, and the short-lived, yet powerful, Communist movement were social forces in history that played a part in shaping American society. A close study of these movements and organizations will reveal a profound influence exerted on society that reached beyond their actual size due to the position in which they were situated in the American economy. What was the nature of their relationship and what does this particular situation reveal about each respective grouping? The glamorized interpretations of the Jewish gangster operating outside the status quo; the street savvy hoodlum who survived by his wits best represented in books such as *Tough Jews*<sup>1</sup> and films like *Once Upon A Time in America*<sup>2</sup> consistently fail to recognize the predatory and reactionary role the Jewish underworld played in American history. The mythologized Robin Hood- bandit figure quickly evaporates as soon as one acknowledges their function as strikebreakers, extorters, and in many cases, the supra-legal “muscle” for capitalist consolidation. The numerous shifts in political leadership, factional disputes, and ideological transformations have produced a complex, uneven terrain to investigate. However, throughout all the twists and turns one is still able to discern a Marxist movement that worked closest with organized crime figures when they put practicalities over politics and the short-term interests of a stabilized industry over the long-term goals of radical transformation and liberation.

Clearly the history of labor racketeering stretches much longer in time and broader in scope than simply New York’s garment industry during the interwar period. However, the years that constitute this paper’s focus are marked by several distinctive characteristics: (1) this was the first time when organized crime integrated itself into a

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<sup>1</sup> Rich Cohen, *Tough Jews: Fathers, Sons, and Gangster Dreams* (New York: Vintage, 1999)

<sup>2</sup> *Once Upon A Time In America*, dir. Sergio Leone (1984; Embassy Pictures)

specific industry in a systematic way, thus producing a certain ‘initial chaos’ not to be found in the soon to become routinized, unspoken agreements between union leaders and labor racketeers, (2) the existence and active role of a communist party that tended to be more ideological and more radical than the average trade-unionist, and (3) the relative autonomy and freedom of organized crime to operate within legitimate businesses due to J. Edgar Hoover’s denial of a national crime syndicate and the absence of acts such as RICO ( Racketeer Influenced and Corrupt Organizations Act).

The term garment industry will be utilized in this paper to encompass the four main industries of: women’s wear, men’s wear, fur and leather, and millinery hats. The unions represented by the International Ladies Garment Worker’s Union (ILGWU) and the Amalgamated Clothing Workers of America (Amalgamated) went through periods of internal strife and division fundamentally fueled by power struggles between the moderate Socialist factions and the left-wing Communist Party. A similar pattern of internal divisions and conflicts would also arise within the fur industry between the Socialist-right and the Communist-left, although with some important nuances. In a time before the repressive effects of Cold War McCarthyism, the New York garment industry unions’ leadership was split between the old-guard Socialist figures (David Dubinsky, Morris Kauffman, Morris Hillquit, Abraham Cahan of *The Daily Foward*) and radical Communist Party leaders (Charles S. Zimmerman and Ben Gold). The history of organized crime in the garment industry from the turn of the century to the 1930s can be divided into two phases: the initial period of strong-arm labor-sluggers that spanned from Edward “Monk” Eastman to Jacob “ Little Augie” Orgen, to the more sophisticated infiltration period of Louis “Lepke” Buchalter and Jacob “Gurrah” Shapiro.

In light of the multi-layered composition of these various industries, the essay will be organized by category as opposed to a chronology. Proceeding from a basic outline of the Garment District's political economy, the first section of the paper will deal with the role of organized crime within the garment industry; its transition from labor-slugging to infiltration, its relations with labor activists, and its role within the capitalist economy. The second section will focus on how Socialists and Communists respectively dealt with organized crime, both in regards to labor strikes and within their own factional struggles. Taking in account the vast amount of resources, prominent individuals, and worker strikes that took place in the turbulent, often violent, period at hand, this section will be devoted to only few, yet critical, moments in garment industry's history that concentrate and reveal the most essential elements of the labor/racketeer relations. Due to the wide range in subject matter, the forms of sources for this essay run the gamut from F.B.I. files on mobsters, to union convention notes, to Communist Party periodicals, to governmental studies on the garment industry, and the tremendous amount of literature produced by feuding political factions as they sought control over the garment industries' labor unions. Although the actual numbers of people belonging to the various movements and organizations can easily be relegated to a small, marginal part of the American population, their ideas and struggles had far reaching influences and consequences for American society.

## **The Factory and the Skyscraper – As One**

It is not just a simple case of semantics to identify the Garment District as a *district* as opposed to a neighborhood or a community. While the Garment District possessed many of the hallmarks of a typical neighborhood: places of worship, restaurants, food markets catering to a specific clientele, and social services; Manhattan's West Side from 18th street to 40th street was a place where people worked and then made the daily commute back home to the newly settled neighborhoods of Brownsville, Williamsburg, and the South Bronx. A garment industry that originally started in the tenement homes on the Lower East Side, migrated north due to labor reform legislations that enacted a ban on businesses contracting workers to labor from home.<sup>3</sup> The relatively longstanding concentration of garment industries on Manhattan's West Side is significant in that it remained in the heart of the metropolis as opposed to most of New York's industries that tended to exist on the outskirts of the city (Brooklyn's Navy Yard, Red Hook's waterfront, or the swamplands of Northern New Jersey). In the Garment District we have the rare situation of an industrial center remaining in the urban core, a locale that would have great implications for labor strikes and intense debates that would often spill out onto the streets. As historian and literary critic Irving Howe notes, "each day circles of argumentative workers would form during lunch hours to discuss politics on the streets of the West Thirties: here one could listen to Communists, Socialists, anarchists, DeLeonists, and Zionists."<sup>4</sup>

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<sup>3</sup> For commuting and migration patterns see Nancy L. Green, "Sweatshop Migrations: The Garment Industry Between Home and Shop," in *The Landscape of Modernity*, ed. by Edward Lunz and Olivier Zunz (New York: Russell Sage Foundation, 1992), 220.

<sup>4</sup> Irving Howe, *The American Communist Party, A Critical History, 1919-1957* (Boston: Beacon Press, 1957), 247.

As the industry migrated to the twenties and thirties of Manhattan's West Side, a chaotic, primitive industrial district developed that can be attributed to "cutthroat competition, layers of subcontracting, and a poorly paid mass of immigrant workers."<sup>5</sup> A majority of the production plants were not the large industrial factories constructed by industrialists such as Henry Ford or imagined by the likes of Fritz Lang as in his futuristic *Metropolis*, but rather smaller, more intimate shops housed within larger buildings that were less prone to safety regulations and unionized workers. Towering buildings could house dozens of separate shops, creating a situation where one could find 70 to 80 shops on just one small, city block.<sup>6</sup> Poor working conditions, seasonal labor, and a vulnerable immigrant workforce were the foundations to one of New York's top industries.

Despite the Garment District's uncommon economic structure, it remained a powerhouse in the New York and national economy. New York was able to go from claiming 44% of all ready-made clothes produced in the United States in 1890 to 65% of all readymade clothes in 1904.<sup>7</sup> Throughout the Great Depression and World War II these numbers fluctuated due to the abnormal circumstances brought on by these tremendous events, however the strength of New York City's grip on the garment industry remained firm well into the 1960s.<sup>8</sup> As long as the garment industry remained at the top of New York's manufacturing economy (second only to sugar refinery), the Garment District proved to be a critical factor in New York's economy. Although the physical sites of garment and textile production shifted from cramped Lower East Side tenements to the utilitarian factory lofts of the Westside, the 'wild buccaneer' days of high competition

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<sup>5</sup> Robert A. Greenwald, *The Triangle Fire, the Protocols of Peace, and Industrial Democracy in Progressive New York* (Philadelphia: Temple Univ. Press, 2005), 14.

<sup>6</sup> Ben Gold, *Memoirs* (New York: Howard Publishers, 1985), 34.

<sup>7</sup> NY State Department of Labor Report 1901 pg.19 cited in Green, "Sweatshop Migrations", 216.

<sup>8</sup> Leon H. Heyslerling, "The New York Dress Industry- Problems and Prospects" (Washington, 1963), 1.

among many small entrepreneurs scrambling to keep their heads above water persisted through the years. A basic account of the more primitive, competitive capitalist phase of the garment industry provides the necessary backdrop to understand the circumstances that the racketeers and labor organizers grew out of during the 1910s and 20s.

The New York-based garment industry was a true expression of competitive capitalism in its pre-monopolistic form. Dozens upon dozens of small to mid-level clothing entrepreneurs and manufacturers would routinely enter a frantic world of high risk investments, huge turnaround rates, and a large pool of competitors vying for buyers and distributors. Unlike many American industries such as tobacco, oil, or steel, the garment industry remained fragmented and decentralized for several decades well after its initial antebellum phase. As of 1914, 60% of the New York's Garment Industry was comprised of small shops or factories employing less than 30 workers.<sup>9</sup> It was a world of fast-paced, contracted work, where only parts of the final product were produced in a certain locale through a system that operated on various divisions of labor. As Susan Glenn writes in her well-documented *Daughters of the Shtetl*:

The peculiar industrial structure of garment manufacturing encouraged immigrant entrepreneurship. Garment production contradicted the anticipated trajectory of modern industrial development. Unlike heavy industry, which tended towards consolidation and centralization, the garment industry's uneven development resulted in a highly decentralized crazy quilt of small and medium sized firms with varying degrees of labor specialization.... Hundreds of these small insects of manufacturers entered the trade yearly...<sup>10</sup>

While the garment industry's 'peculiar industrial structure' did in fact leave the door open for immigrant entrepreneurs, it also left the door open for another element within

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<sup>9</sup> Susan Glenn, *Daughters of the Shtetl: Life and Labor in the Immigrant Generation*. (Ithaca: Cornell University Press, 1991), 92.

<sup>10</sup> Glenn, *Daughters of the Shtetl*, 93.

the immigrant world: organized crime. Additionally, it created a situation where workers were more fragmented organizationally and left them in more vulnerable positions to be exploited, which might have been a factor in the strong pull they felt towards the various unions (ILGWU, Amalgamated, ect.) that would flourish in the coming years.

There were several material factors that played a significant role in the interaction between organized labor and organized crime within the garment industry. Small level manufacturers and contractors competing against each other, squalid working conditions, and densely packed immigrant laborers open to revolutionary ideas lay a basis for this convergence. In addition, it was a common practice among Jewish gangsters during the first half of the twentieth century to specifically target and exploit industries dominated by Jewish owners.<sup>11</sup> Here it is necessary to emphasize that these material factors and causalities do not produce a set of easy formulas for neatly resolving the questions at hand, but do provide important insights in why the web of social forces converged in the Garment District in such a unique manner. Individuals and their own unique personalities did have a role in shaping the history of the Garment District as can be seen in Louis ‘Lepke’ Buchalter. Although Lepke’s childhood spent on the streets of the Lower East Side could be used to describe the hundreds of thousands of other ordinary children who made their way out of one the most crowded ghettos in American history, the level of prominence and national attention he received by the time he took his last breath in a New York State electrical chair would be matched by a few.

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<sup>11</sup> Steven Fraser, *Labor Will Rule: Sidney Hillman and the Rise of American Labor* (Ithaca: Cornell University Press, 1991), 242

## Out for Hire

As Louis Buchalter was coming of age on the streets of Manhattan's Lower East Side at the turn of the century, Edward "Monk" Eastman was perfecting his own brand of racketeering that would later become known as 'labor slugging'. Eastman, regarded as the first true Jewish gangster,<sup>12</sup> pioneered the criminal enterprise of hiring out thugs to harass, attack, or possibly kill disruptive workers or union leaders. Articles in the press dating as far back as 1900 contained reports detailing picket lines violently broken up by 'hired goons'.<sup>13</sup> Establishing a reputation and clientele among the numerous manufacturers then based on the Lower East Side, Eastman would hire out members of his gang to any boss or factory owner willing to pay. To date there are no accounts of Eastman voicing any concerns or empathy toward the striking workers he was responsible for assaulting. What exists is only the records of a ruthless criminal who put profit above anything else. Eastman would eventually drift away from the underworld after serving a ten -year prison sentence, however other up-and-coming Lower East Side gangsters such as Big Jack Zelig picked up right where Eastman left off. Big Jack Zelig's thugs for hire became so commonplace, that a listing advertising his various rates was widely known within the garment industry:

Slash on the cheek with knife: \$1 - \$10  
Shot in the leg: \$1 - \$25  
Shot in the arm: \$5 - \$25  
Throwing a bomb: \$5 - \$50  
Murder: \$10 - \$100<sup>14</sup>

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<sup>12</sup> Albert Fried, *The Rise and Fall of the Jewish Gangster in America* (New York: Columbia University Press, 1993 edition), 27-28

<sup>13</sup> "Goons Hired by Roth to Assault Strikers; Waistmakers Resolute", 1/8/1900 contained in Max Danish and Leon Stein ed. *ILGWU News-History 1900-1950: The Story of the Ladies Garment Workers* (Atlantic City, New Jersey: ILGWU Publishing, 1950), pg. 5.

<sup>14</sup> Paul R. Kaveieff, *The Life and Times of Lepke Buchalter: America's Most Ruthless Labor Racketeer* (Fort Lee, New Jersey: Barricade Books, 2006), 10.

In a vivid account from furrier Ben Gold, he describes the circumstances of a mob assault on a 1926 furrier strike:

The worried leaders of the bosses' association...decided to employ the necessary means to break the strike...During the previous weeks the gangsters who had been hired by the bosses to bring the few scab workers into the shops each morning hadn't dared use their fists against the workers...Suddenly one morning the gangsters came out of their hiding places and beat a large number of strikers mercilessly...<sup>15</sup>

He later goes on to reflect, "The leaders of the strike understood the bosses had not hired these murderers for a single "visit." It was also clear to us that the goal of the bosses was to chase the pickets away from their shops, and that the lives of the pickets were in danger."<sup>16</sup>

Although labor disputes during the first decade of the twentieth century caused an intense polarization that often led to demonstrations and pitched street battles, Zelig hired his thugs out to both sides of conflict, seeking to reap as much profit as possible. Often times employers would turn to gangsters like Eastman or Zelig to violently break up picket lines or privately rough-up dissident union leaders. However, in some cases, union leaders would hire out thugs to protect workers from riot police or other hired thugs. Another Lower East Side gangster, 'Dopey' Benny Fein, is an important example (and exception) of a crime boss who hired his crew out to protect workers as revealed in the fact that he was placed on the payroll for the United Hebrew Trades union as well as being a card carrying member of the ILGWU.<sup>17</sup>

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<sup>15</sup> Gold, *Memoirs*, 73.

<sup>16</sup> *Ibid.*, 73.

<sup>17</sup> Kavieff, *Lepke Buchalter*, 23.

In the years from roughly 1900 to 1925, the temporary agreements struck between gangsters and garment leaders (both on the side of capitol and labor) were highly reflective of the archaic, street-level period of the Jewish Lower East Side gangster yet to pass through the stage of what would become the modern organized crime model. Throughout the various phases of racketeering in the garment industry before Lepke, from Monk Eastman to Little Augie, racketeers remained on the periphery of the industry, only brought in as an outside mediator to settle labor conflicts in an era still lacking in standardized, legal protocol. Of course there are notable exceptions such as Dopey Benny's three year run with the United Hebrew Trades or Little Augie's year-long work with the Communist Party in 1926, however the nature of this early period of racketeering is characterized by loose, temporal relations and a mainly outsider status. The reign of garment industry racketeers was relatively short lived during this period starting with Eastman (1898 -1904), Zelig (1908-1912), Fein (1911-1915), Nathan 'Kid Dropper' Kaplan (1918-1923), and the last of the 'old-fashioned gangsters' Jacob "Little Augie" Orgen (1919-1927) who remained in power for the longest period of time. In addition, there were periods of economic growth within the garment industry (1914-1921)<sup>18</sup> that diminished the need for a violent, external force provided by racketeers, along with bloody gang wars between Kid Dropper and Little Augie (1919-1923) that obscured their level of control over the industry until Kid Dropper's death in 1923. With the exception of Dopey Benny's temporary alignment with the United Hebrew Trades and the ILGWU, a defining characteristic of the pre-Lepke racketeers was their willingness and ambition to sell their services to the highest bidder.

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<sup>18</sup> Fried, *The Rise and Fall*, 136.

Journalists and historians of various fields who have written extensively on either racketeering or labor movements take the racketeers' duality as a given, yet it raises several important questions about the nature of the criminal class. A point that has yet to be sufficiently explored within the literature of both organized crime and organized labor is the commonality of their respective backgrounds. In this particular case, we have a movement of exploited workers, a majority of which were Jewish or Italian, putting their very lives on the line to fight for livable wages and dignified working conditions under incredibly difficult circumstances. Within this context, racketeer after racketeer, most of whom hail from the same Lower East Side streets as the striking workers; who share a common history, class background, and cultural tradition, made the choice of violently breaking up strikes, protecting "scab" workers crossing picket lines, or playing both sides for the biggest pay-off. Unfortunately one can only speculate about their inner thoughts or the various private conversations on the matter due to lack of documentation. However, the consistent policy of remaining neutral within a several different intense, polarized labor struggles remains the most convincing evidence that the various racketeers followed the dictates of capitalism when confronted with a movement of workers struggling for reform and progress. Unfettered by political sympathies or ethical principles, gangsters such as Kid Dropper and Big Jack Zelig employed a pragmatic, calculated approach of making profit the bottom line – a fundamental law of capitalism applied by a criminal class acting outside the law of the state.

It would be inaccurate to portray the pre-Lepke racketeers as simply shock troops or a supra-legal, brute force by the factory owners to crush movements for social and economic justice. Although this was overwhelmingly the case, the origins of

racketeering do not fit into a neat, logical conclusion as union leaders (most of which were either Socialists or Communists in the 1920s) also employed underworld figures off and on throughout beginning of the twentieth century. While it makes sense in many respects for employers to hire thugs to exercise brute force in order to break up picket lines and intimidate noncompliant union leaders, the use of criminal figures by unions or communist-led worker committees seems more unlikely and raises serious questions of how organized labor viewed organized crime. This is a question that will be further explored and assessed later in the essay. However, first we must turn our attention to Lepke in order to understand labor racketeering in its more developed, modern form.

### **L & G – The Brains and the Brawn**

“What did I do that J.P. Morgan didn’t do?...It’s all a racket. Isn’t Wall Street a racket where the strong take advantage of the weak? Every industry needs a strong man. After you put us in jail, another strong man will come up to keep the industry from becoming a jungle.”

-Johnny Dio, 1937<sup>19</sup>

It was only a matter of a few days when Louis Buchalter found himself gravitating back to his old, familiar haunts on the Lower East Side after being released from prison in 1922. It was at some point soon after his release when he reconnected with his childhood friend, Jacob “Gurrah” Shapiro, a brutish gorilla who joined Lepke as a teen robbing pushcart vendors in Brooklyn.<sup>20</sup> Gurrah and Lepke would soon join the ranks of fellow Lower East Side gangsters such as Meyer Lansky and Charlie “Lucky” Luchiano as the new breed of underworld bosses- responsible for marking a new era in organized crime. As Gurrah and Lepke worked their way up the hierarchy of Little Augie’s criminal outfit,

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<sup>19</sup> Cited in Fried, *The Rise and Fall of the Jewish Gangster*, 166.

<sup>20</sup> Jay Maeder, “Lepke Surrenders To Winchell, 1939,” *New York Daily News*, May 29, 1998, [http://articles.nydailynews.com/1998-05-29/news/18070041\\_1\\_walter-winchell-fat-man-boss](http://articles.nydailynews.com/1998-05-29/news/18070041_1_walter-winchell-fat-man-boss) (accessed April 20, 2011).

they increasingly set their sights on replacing Little Augie at the top. In addition to Little Augie, Lepke would often carry out assignments from underworld kingpin Arnold Rothstein. By the mid-1920s the tide was beginning to change; underworld crime bosses such as Arnold Rothstein and Meyer Lansky were pushing Little Augie to retire from his “labor-slugging days” and begin infiltrating the garment industry’s unions.<sup>21</sup> Infiltration of the unions meant an ongoing, systematic business of extortion and shakedowns amongst the various industries within the Garment District (textiles, furs, pocketbooks, trucking used to transport goods). Little Augie’s resistance to change ended with his assassination in 1926. Lepke’s ascension to the top of the Jewish underworld did not simply represent a ‘change of the guards’ within the garment industry rackets, but instead a radical rupture in organized crime’s approach towards racketeering.

In the aftermath of the historic New York 1926 Communist-led textile strike, the “strong-arm goons” didn’t recede back into the shadows as usual, but remained fixtures within the garment unions under Lepke’s leadership. Local after local, company after company, Lepke muscled his way into the innerworkings of American industry. As opposed to most gangsters who competed over drugs, alcohol, and prostitution, Lepke held a monopoly over several aspects of the food, trucking, and needle-trades industries. Lepke employed union officials such as Max Rubin (officer of Teamsters Local 240)<sup>22</sup> and Philip Orlovsky (manager of the Cutters Local Number 4)<sup>23</sup> to help facilitate his empire. Rubin and Orlovsky are figures who were elevated into the public eye after they were placed on trial as witnesses to bring down Lepke, however it can be said with very

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<sup>21</sup> Fried, *The Rise and Fall of the Jewish Gangster*, 143.

<sup>22</sup> Kavieff, 56.

<sup>23</sup> *Ibid.*, 48.

little hesitation that there were many more Rubins and Orlovskys on Lepke's payroll. In addition to Lepke's ability to payoff corrupt union officials, he was able to infiltrate unions by working hand in hand with union leaders such as Amalgamated President Sidney Hillman and Furrier Union leader Morris Kauffman to eliminate Communist-led unions or factions within the clothing and furs unions.

Remaining true to character, Lepke sought to reap profits from both corrupt union leaders and desperate manufacturers. It is in examining Lepke's racketeering practices in the manufacturing associations that his innovative methods and crucial role in the legitimate business world shines brightest. As aforementioned, the garment industry was a cutthroat competitive world of hundreds of small shops with a few large firms. Largely in line with general capitalist dynamics, high-competition was a welcomed business feature during times of boom and prosperity, but a death sentence for an industry facing the steepest economic depression in American history. In 1929, years prior to New Deal era reforms such as the National Industrial Recovery Act, ILGWU President Benjamin Schlesinger summed up the centrality of the protective efforts in rebuilding his struggling union, "our suggestion to all three groups of employers was a joint responsibility...a joint effort to stabilize the industries...make each party that is in agreement with the protective the only controlling factor in its respective field...employers are to only deal with subcontractors in it (*it being the protective*).<sup>24</sup> The union's successful efforts were praised as a triumph as the head of ILGWU's education department wrote years later in 1941, "our efforts to bring order out chaos in what was once properly called the most

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<sup>24</sup> Schlesinger speech cited in Danish and Stein, *ILGWU News-History 1900-1950*, 61.

sweated industry in this country had taxed all our efforts.”<sup>25</sup> What is not discussed in the official union histories of the needle-trades industry is the essential role of organized crime in stabilizing these industries. New York Special Prosecutor Thomas E. Dewey’s trial prosecution of Lepke and Gurrah produced numerous testimonies among manufacturers and union leaders alike who described being targeted for intimidation and harassment when they did not initially comply with the protective system.<sup>26</sup>

Lepke’s reach into the protective associations expanded beyond the textile industries and into the newly emerging fur and leather protectives. No different than textiles, Lepke secured and maintained his position of power through harassment, beatings, bombings, truck hijackings, arson, and occasionally murder.<sup>27</sup> All methods were employed without fail when businesses strayed from the fur protectives or refused to pay Lepke his weekly extortion fees.<sup>28</sup> The case of a Mr. Joseph who ran a business importing rabbit skins in the New York-New Jersey area provides a graphic example of Lepke’s practice of intimidation and violent assault. After receiving several phone threats for refusing to pay the full extortion fee to the protective he was attacked by an unknown gangster on May 14, 1933. As Joseph was sitting on a bench in front of his home, the gangster approached him, tore off a newspaper which was wrapped around a bottle of acid and splashed the acid into Joseph’s face, stating “Now you’ve got it.”<sup>29</sup> All of this occurred with an overwhelming amount of regularity; Lepke and his men began to

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<sup>25</sup> Julius Hochman, *ILGWU’s Department of Education Annual Report* (New York: ILGWU Publishing, 1942), 3.

<sup>26</sup> Thomas E. Dewey, *Twenty Against the Underworld* (Garden City, New York: Doubleday, 1974)

<sup>27</sup> “80 Indicted in Huge Fur Trust,” *New York Times*, November 7, 1933, 1.

<sup>28</sup> *Ibid.*, 1.

<sup>29</sup> This incident can be found in “Fur Dressers Case”, FBI Freedom of Information Act, Washington D.C., <http://www.fbi.gov/about-us/history/famous-cases/the-fur-dressers-case>. (accessed on March 2, 2011).

find their place in the industry, almost strangely settling into the banal, mundane workings of legitimate business and union bureaucracy.<sup>30</sup>

Given the primitive, localized nature of the needle trades industry it is critical to take in account the direct relationship between the unions and the protectives. In a highly illustrative incident, labor organizer Morris Langer was killed by a car bombing when he refused to submit to Lepke's demands. Langer was a Communist and was responsible for the organizational activities of the Needle Trade Workers Industrial Union (the NTWIU was a dual-union created by the CP). A unionized fur shop in upstate Gloversville was operating outside of the fur protective, thus making it a target for Lepke and the manufacturers. Langer emphatically turned down Lepke's demands to call for a worker's strike against the plant as a means to pressure the Gloversville owners to comply with the Protective. In light of the situation, a conference between the NTWIU and the Protective Fur Dressers Corporation was called for in February 1933. After the NTWIU refused to close the Gloversville shop, a representative from the fur protective pulled a few leaders from the NTWIU aside and threatened to bomb the shop if the union did not comply with their demands to put workers on the picket line. It was at this conference that Langer "spoke out very strongly against the Protective".<sup>31</sup> According to Ben Gold, Langer told Lepke's intermediary Samuel Mittelman that, "the union is not a partner to any racketeer and that our methods are very different from the socialist union leaders." Langer went on to state, "We are interested in the wages and conditions of the workers and not in racketeering, and since the Gloversville workers are receiving union wages...the Union

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<sup>30</sup> Given the untold amount crimes perpetrated by Lepke in the garment industry, it was the violation of trust laws in the fur industry that prosecutors decided to indict him and 80 others with in 1933 "80 Indicted...", NYT, November 7, 1933, 1.

<sup>31</sup> An account of the interaction between Langer and the protective can be found in: "Fur Dressers Case", FBI.

will not call these shops on strike.”<sup>32</sup> Langer remained committed to his Communist principles during the course of the whole ordeal until his body was blown apart a month later by a car bomb on the morning of March 22<sup>nd</sup>, 1933.<sup>33</sup>

Lepke’s infiltration of the garment industry’s unions and protectives underscores ILGWU historian Gus Tyler’s statement that, “ the underworld is an economic system within our economic system; a law within our law...”<sup>34</sup>. While it was incredibly rare for an ordinary worker to see Lepke or Gurrah walking through a shop floor or union office, it was clear to the majority of the rank-and-file who was among the ‘connected’, when it came to identifying corrupt union officials. Writers such as Paul R. Kaveiff and James Jacobs (*Mobsters, Unions, and Feds*)<sup>35</sup> argue that organized crime has had a crippling effect on American businesses through its predatory attacks, high extortion rates, and labor lockouts. Jacobs’s contention rests on a substantial amount of evidence that does in fact point to the detrimental effects of the Mafia on American businesses, however it ignores the glaring contradiction that organized crime could not really operate on the level it did without the cooperation, or at the very least complicity, of the legitimate business world.

Lepke’s indispensable role in creating industry cartels set the grounds for fixed prices, stabilized labor costs, and the muscle to eliminate smaller shops that could potentially provide cheaper prices. The shift toward a more monopolistic character

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<sup>32</sup> Gold, *Memoirs*, 14.

<sup>33</sup> Ben Gold, “Who are the murderers? Who paid for placing the bomb that killed Morris Langer? The ring of racketeers in the fur industry exposed.” New York, General Executive Board, Needle Trades Workers Industrial Union, 1933.

<sup>34</sup> Gus Tyler “ The Big Fix” in *Organized Crime in America* ed. Gus Tyler (Ann Arbor: University of Ann Arbor Press, 1962), 6.

<sup>35</sup> James Jacobs, *Mobsters, Unions and Feds: the Mafia and the American Labor Movement* (New York: New York University Press, 2006).

during the Lepke era is similar to a more universal tendency of organized crime to forge monopolies out of the industry's they succeed in dominating. Although writing about the economics of the Mafia in Italy, Pino Arlacchi's description of the Mafia's competitive advantage holds true to Lepke and his Italian-American successors: "through the discouragement of competition, the entrepreneurial Mafia has come to enjoy a series of local monopolies in sectors of economic activity...".<sup>35</sup> Arlacchi identifies three main factors that account of the Mafia's competitive advantage, "(1) monopolies that are maintained by force if necessary...(2) keeping worker wages low and limiting benefits...(3) access to funds through illegal means."<sup>36</sup>

The formation of local monopolies was a common feature among Jewish and Italian mobsters in the United States, and is often cited as a primary reason for their success in making a tremendous amount of profits.<sup>37</sup> It was Lepke's brutal efficiency in forcing manufacturers to comply with protective associations, along with his network of hired thugs that were willing to circumvent the law by deploying brute force in order to repress striking workers demanding labor reforms, that he was able to secure a position of power and prestige in the garment industry. The testimony of small businessmen recounting attacks they faced after refusing to cooperate with industry protectives and the use of "strong-arm men" to break up worker pickets provides ample evidence that explicates how Lepke's role served the interests and aims of the garment manufacturers. However, where did organized crime fit into the other side of the equation – amongst the labor organizers, union leaders, and various Marxist radicals?

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<sup>35</sup> Pino Arlacchi, *Mafia Business: The Mafia Ethic and the Spirit of Capitalism* (Oxford: Oxford University Press, 1988), 91.

<sup>36</sup> *Ibid.*, 90-93.

<sup>37</sup> "Third Interim Report of the Committee to Investigate Organized Crime in Interstate Commerce -1951" found in *Organized Crime in America*, ed. Gus Tyler, 11.

## The Lumpen

As America entered into the twentieth century, the Socialist movement gained a notable surge in popularity with more than a thousand Socialists who had been elected to office and a press circulation of roughly two million.<sup>38</sup> Reaching beyond the usual bastions of radical politics found in urban immigrant communities, socialist ideals began to find themselves embraced in the heartland. With publications such as the Kansas-based *Appeal to Reason*, socialist propaganda garnered a hearing among the struggling, downtrodden farmers. However, due to a series of stepped up repressive crackdowns carried out by the American government and the mounting irreconcilable political differences within the Socialist Party, the movement's influence dwindled and its momentum slowed down considerably.<sup>39</sup> The movement did in fact split as a result of the Russian Revolution, with a growing number of revolutionaries in America coming to agree with the essential features of a Leninist revolution, namely a disciplined vanguard party organizing the working class for the opportunity to wage a violent, revolutionary struggle for power during a moment of crisis within the capitalist system. Through the various ebbs and flows of Socialist political movements in America, the New York garment industry remained a stronghold throughout these trying years.

At its most elementary level, before the intense political questions over the transition of power from the bourgeoisie to the proletariat, Marxists of the time period adhered to a basic, general doctrine explaining the laws of history, economics, politics, religion, and philosophy. Taking in account the basic methodology and set of principles

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<sup>38</sup> Irving Howe, *Socialism and America* (New York: Harcourt Brace Jovanovich Publishers, 1985), 3-4.

<sup>39</sup> Divisions in the Socialist movement during this time were centered around debates over the question of including or excluding immigrant workers, organizing around local elections or utilizing direct action tactics, and the correct response to the outbreak of World War I.

established within the Marxist movement with concepts such as historical materialism and the primacy of the economic base to serve as standards for future movements that would arise after Marx's death...where does Marx's writings on crime and criminals factor into the movement that would bear his name in the United States?

Accusations of dogmatism and pie-in-the-sky idealism that are frequently directed at Marxists or Communists would find little resonance when assessing the history of the American Marxists' position on criminals, or what is commonly referred in Marxian terms as the lumpenproletariat. Although Marxists would formulate policies and propaganda based on their reading and interpretations of Marxist thought, it is clear that the question of the lumpenproletariat was 'conveniently avoided' and ignored among both socialists and communists organizing in the American labor movement. Marx did not write extensively about the lumpenproletariat, but provided a concise, straightforward position in his most popular work *The Communist Manifesto*:

The lumpenproletariat, this passive putrefaction of the lowest strata of the old society is here and there swept into the movement by a proletariat revolution, but in accordance with all its conditions in life, it is more apt to sell itself to reactionary intrigues.<sup>40</sup>

Marx's life-long collaborator Frederick Engels, who co-wrote *The Communist Manifesto*, elaborated further when he wrote:

The lumpenproletariat, this scum of the decaying elements of all classes, which establishes headquarters in all the big cities, is the worst of all possible allies. It is an absolutely venal, brazen crew...Every leader of the workers who utilizes these gutter proletarians as guards or supporters, proves himself by this action alone to be a traitor to the movement...<sup>41</sup>

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<sup>40</sup> Karl Marx and Friedrich Engels, *The Communist Manifesto (A Modern Edition)* (London: Verso Books, 1998), 53.

Here it is important to make a distinction between the thieves and underground criminal networks analyzed by Marx and Engels, and the modernized, organized crime syndicates of the 1930s. Plausible at the time in which he was writing, Marx did not anticipate or foresee the future development of crime to take on a more sophisticated, entrepreneurial form that would assimilate itself into the legitimate business world and command a greater degree of power in the national economy. This development would presumably only magnify Marx and Engels's disdain for the lumpen class. Additionally, we are given a real living sense of Marx's view that the lumpenproletariat can be easily persuaded to betray the revolution when bringing our attention to the early practices of gangsters such as Monk Eastman and Big Jack Zelig who would not hesitate to shift their alliances given the right price.

Given the simple, straightforward language used by Marx and Engels to demystify any illusions or possible sympathies the revolutionaries might have had regarding the lumpenproletariat, what was the rationale amongst the Marxist parties and individuals who voluntarily entered into business agreements and organizing efforts with gangsters who personified unbridled capitalist practices at their most extreme? However, what we find among the socialists and communists on the question of the lumpenproletariat is an unprincipled duality. In a classic display of hypocrisy bordering on the surreal, union leaders denounced the evils of labor racketeering, all the while shaking hands with the likes of Lepke Buchalter and Carlo Gambino.<sup>42</sup> Historians will not find any major union leaders in the garment industry that publically advocated or

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<sup>41</sup> Friedrich Engels, *The Peasant War in Germany (Second Edition)* (New York: International Publishers, 1966), 18.

<sup>42</sup> See Jacobs, *Mobsters, Unions, and Feds* for the post-World War II period of Gambino racketeering in New York garment industry.

justified the use of strong-arm men to maintain their positions and push forward their agendas. However, we do have numerous speeches and campaigns organized by union leaders such as ILGWU's David Dubinsky, Amalgamated president Sidney Hillman, and articles from the C.P.'s *Daily Worker* taking aim at corruption within unions.<sup>43</sup>

### **First Lessons in the Revolution**

Under the leadership of William Z. Foster, the Communist Party was steadily making advances in the labor movement by adopting Foster's strategy of "boring from within". Opposed to dual-unionism,<sup>44</sup> Foster brought his Trade Union Education League (TUEL) into the CP when he became a member in 1923. By 1926, a series of simultaneous strikes were initiated by Communists for better working conditions in the textile mills of Passaic, New Jersey, in New York City's women's wear, and by the neighboring furriers. Although the Communists were heavily involved with economic and social justice campaigns prior to 1926, this would be their first major foray into leading a major, long-term strike involving thousands of workers. Both the Passaic textile strike and New York dressmakers' strike ended as utter failures for the Communists, decimating their reputation and leadership positions. In stark contrast, the furriers' strike was a surprising success, strengthening their control over locals in the International Fur Workers' Union (IFWU). In a certain sense, the 1926 dressmakers' strike of the ILGWU was the beginning of the end for the CP in two regards: the first being the end of the control over a majority of ILGWU locals in New York City, and

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<sup>43</sup> For Dubinsky see Robert Parmet, *The Master of Seventh Avenue* (New York: NYU Press, 2005), 142-150, For Hillman see Matthew Josephson, *Sidney Hillman: Statesman of American Labor* (Garden City, New York: Double Day and Company, Inc., 1952), 332-340, and G. Morris, "We Can't Ignore the Menace of Racketeering." *Daily Worker*, October 19, 1953, 2-4.

<sup>44</sup> Dual-unionism is the establishment of a separate union, usually associated with a more militant, left-leaning organization, to exist and organize outside of the mainstream union within a particular industry. See

secondly, the dissolution of their partnership with organized crime. Of course, with the pervasive influence of organized crime in American labor unions and the continuing organizing activities carried out by communists in the trade union movement, one cannot imagine these two entities wouldn't collaborate under some exceptional circumstances that remained private affairs. However, in the main, after 1926 the relationship between the C.P and labor racketeers would increasingly shift from uneasy partners to bitter enemies.

On the surface, the 1926 labor dispute over fair wages and stable hours appeared to be an important, yet simple issue, no different than many other labor disputes that flared up that year. However, beneath the surface raged a major struggle between the Socialist faction and the Communist faction over control of the union locals. In addition, within the warring ILGWU factions, a major power struggle persisted within the Communist Party between those aligned with William Z. Foster and those grouped around Charles Ruthenberg. The strike stretched on for twenty long weeks, sapping the energy of strikers and depleting their financial resources. The Socialists accepted the initial settlement proposed by the employers and New York Governor Alfred E. Smith early into the strike, however the Communist-led Joint Board of the ILGWU flat out rejected it on the basis of "no class collaboration" and continued the strike. The employers hired Irish gangster Legs Diamond to brutally crackdown on pickets and guard scabs as they attempted to cross picket lines. The CP hired gangster Little Augie to protect pickets and wreak havoc on shops operating during the strike. In addition to the intensified police repression and the massive hemorrhaging of funds due to the strike,

violent confrontations degenerated into gun battles and armed raids instigated by both sides.<sup>45</sup>

The strike escalated from fistfights to gunfire when an ILGWU picket was shot and killed on 26<sup>th</sup> street by four unknown men on July 8<sup>th</sup>.<sup>46</sup> The following week news headlines trumpeted another spate of shootings after gangsters attacked a group of pickets investigating a possible non-union shop operating during the strike. Morris Kaplan and six other pickets were walking up a staircase in a Garment District building when five gangsters pulled out their guns and began shooting the strikers.<sup>47</sup> The outbreaks of violence were not one-sided in any sense. It was only a few days later when ten unnamed individuals stormed into a clothing factory operating in defiance of the union strike. The raiders destroyed shop equipment, attacked machine operators, and threw the factory's owner out of a window.<sup>48</sup> The targeting of individuals operating during the strike persisted as three men attacked a shop owner walking home from work on Manhattan's Upper West Side.<sup>49</sup> The use of violent force has been a common feature in the history of labor struggles, both on the picket lines and as a means to resolve internal problems, however the Dressmakers' Strike of 1926 ranks among the most violent episodes in American labor history. Taking a step beyond simply the police or hired thugs attacking strikers, the pickets unsavory, violent tactics pushed the situation to a different level. The common occurrence of violence surrounding the strike began to get so out of hand that

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<sup>45</sup> Fried, *The Rise and Fall...*, 138-141 and Howe, *American Communist Party*, 247-251.

<sup>46</sup> "Gang Leader Freed, Police Look For Him", *New York Times*, July 11, 1926, 3.

<sup>47</sup> "Four More Shot in Garment Strike", *New York Times*, July 16, 1926, 3-4.

<sup>48</sup> The owner, Harold Liebowitz, miraculously saved himself by catching an awning on his drop down. He dangled from the awning as crowds below stopped to watch him. He finally climbed back to safety. "Violence in Garment Strike Continues", *New York Times*, July 17, 1926, 9-10.

<sup>49</sup> "Garment Owner Attacked on Upper West Side", *New York Times*, September 6, 1926, 12.

the New York State District Attorney had to resort to forming a special bureau to handle the cases growing out of the strike.<sup>50</sup>

The pervasive use of organized crime was so entrenched in the events of the strike, that the underworld not only an active participant, but ultimately ended up as the only mediating force that could end the strike. As David Dubinsky recounts in his memoir *David Dubinsky: A Life With Labor*, the CP initially contacted Abraham Rothstein, a businessman and esteemed member of New York's Jewish community. Abraham passed at the CP's request, and instead suggested they seek out assistance from another businessman in the garment industry. Abraham's Rothstein's friend in the garment industry declined the CP's request as well, he then recommended the CP meet Abraham's estranged son – underworld kingpin Arnold Rothstein. Arnold Rothstien agreed and met with CP leader Charles S. Zimmerman. With relative ease, Rothstein convinced Legs Diamond to cease his work for the manufacturers. Next, Rothstein put in a phone call to order Little Augie to take his crew off the dressmakers' strike. In a matter of a few weeks, Rothstein was able to broker a deal and bring the Joint Board (the CP's left-wing faction in the ILGWU) and the bosses to settle on an agreement.<sup>51</sup>

Predictably, any mention or self-criticism of hiring mobsters would not be found in any CP publications after the strike. The CP held rallies where speakers accused Amalgamated leader Sidney Hillman of hiring gangsters to attack workers, and generally accusing the Socialists of purposely sabotaging the strike.<sup>52</sup> The Socialists seized on the

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<sup>50</sup> "Wars on Gunmen in Garment Strike", *New York Times*, July 14, 1926, 2-3.

<sup>51</sup> David Dubinsky and A.H. Raskin, *David Dubinsky: A Life With Labor* (New York: Simon and Schuster, 1977), 68-70.

<sup>52</sup> Although it is quite possible that Hillman hired gangsters to undermine the strike, the claims remain unsubstantiated, hypocritical, and serve as a convenient diversion from their own disastrous failure. See "Radicals Demand Ousting of Hillman", *New York Times*, November 7, 1926, 10.

Communists' failure to regain key leadership positions in the ILGWU locals. Rallies were held by the ILGWU Cutter Locals in order to pass resolutions to drive the "communist reds" out of the union, thus beginning a concentrated attack on the Communist-dominated locals.<sup>53</sup> If one were to only go by David Dubinsky's account of the ILGWU, the racketeers and the gangsters fade out of the picture after the 1926 strike. However, this was simply not the case, as the problem of labor racketeering would only increase under his leadership of the union.

### **The Labor Statesmen**

You see, studying human nature I came to the conclusion people prefer to be righteous at home and a so-called sinner someplace else. – Meyer Lansky<sup>54</sup>

In discussing the history of David Dubinsky (ILGWU) and Sidney Hillman (Amalgamated), their similarities often overshadow their differences. Both shared a common history of coming of age in the monumental 1905 Russian Revolution, where both shared the same fate of being imprisoned for their political activities and subsequently finding asylum in the United States. Although Hillman never officially joined with the Socialist Party like Dubinsky, he maintained a close, consistent relationship with SP leaders in the garment industry and the influential Yiddish-Socialist publication *The Jewish Daily Forward*. Despite the fact that Hillman was briefly impressed and quasi-supportive of the efficiency possessed by the Soviet economic system in the early 1920s, both leaders made their steadfast anti-Communism a defining feature of their careers. The intensity and resoluteness of their convictions to eradicate the Communist Party and/or its TUUL (Trade Union Unity League) from the garment

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<sup>53</sup> Louis Stark, "Needle Trades Revolt Against Communists," *New York Times*, 12 December, 1926.

<sup>54</sup> Fried, *The Rise and Fall...*, ix.

industry often led them to collude with Lepke's sluggers, and in some cases, Lepke himself.

By the time Sidney Hillman consolidated his control over Amalgamated, he was already making strides in his rise to power under the FDR administration. Hillman would go on to leave behind the legacy of being the "labor statesman"- a key architect of the New Deal's landmark National Industrial Recovery Act (NIRA) and a cofounder of the CIO labor federation. Matthew Josephson's *Sidney Hillman, Statesman of American Labor*, widely considered the definitive biography on Hillman until the early 1990s, portrays Hillman as a tireless crusader against evils of labor racketeering. Josephson painstakingly details the all-night meetings, the meticulous plans, and the violent episodes of all-out street battles that raged throughout the Garment District during the summer of 1931.<sup>55</sup> The events surrounding Hillman's anti-racketeering campaign in 1931 are significant in that they once again display the violent reprisals met by the workers once they confronted Lepke's hold on the garment industry. However, Josephson's accurate account of the 1931 campaign against labor racketeers omits Hillman's history with the underworld before and after the summer of 1931, thus presenting a highly problematic portrayal of Hillman.

Josephson's *Sidney Hillman*, followed by Melech Epstein's *Profiles of Eleven*, both suffer from completely glossing over Hillman's frequent collaborations with Lepke and Gurrah prior to the Great Depression, along with falsely declaring that Hillman heroically drove the plague of gangsterism out of the Amalgamated union.<sup>56</sup> According to Josephson, "...no other American labor leader had ever put up such a relentless fight

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<sup>55</sup> Josephson, *Sidney Hillman*, 330-335.

<sup>56</sup> Josephson, *Sidney Hillman*, 339, and Melech Epstein, *Profiles of Eleven* (Detroit: Wayne State University Press, 1965)

against the under world as had Hillman... If citizens all over had joined him... it would have bid fair to rid the country of its worst social evil.”<sup>57</sup> However, the public image of Hillman as a champion of labor was often at odds with his private reliance on organized crime figures to carry out his “dirty work”. Hillman’s main defense in regards to union corruption was always one of ignorance. His comments, along with his earlier biographers, maintain he was unaware of the serious nature of labor racketeering and corruption until the end of the 1920s. This convenient position fits in nicely with the courageous union reformer of 1931, however it covers up an ongoing, documented history of his personal use of gangsters and strong-arm men to fortify his leadership within the union.

Although Hillman’s Amalgamated never faced the kind of internal warfare that nearly destroyed the ILGWU, he was gravely concerned by the murmurs of Communist opposition beginning to brew within the Amalgamated.<sup>58</sup> (Footnote election that challenged his re-election) Hillman was more concerned with the possibilities of his hegemony being challenged by insurgent Communists than ideological debates raging between old-guard Socialists and Bolshevik Communists. In his updated biography on Hillman, historian Steven Fraser reveals,

“...after 1924, with the shift in factional alignments, Hillman turned a blind eye to those same criminal associations (*associations being the Socialist Party’s connections to gangsters –authors note*), as Socialist Party apparatchiks proved to be enthusiastic red-hunters, not at all squeamish about using the roughest tactics for dealing with Hillman’s new opponents on the left. More than anyone else, the right-wing Socialist and *Forward* Loyalist Abraham Beckerman emerged as the union’s enforcer against the remains of the Communist Party... With Hillman’s approval he quickly became a power in the New York union and was even elevated to the GEB, where his open advocacy of strongarm methods sometimes

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<sup>57</sup> Josephson, *Sidney Hillman*, 339.

<sup>58</sup> Fraser, *Labor Will Rule*, 245.

embarrassed others in the leadership. Even more embarrassing, however, was Beckerman's evident toleration of and even connivance with the Lepke gang, which, amid all the internal turmoil, began its penetration of the strategically important Cutters' Local 4. It is nearly impossible to believe Hillman was in the dark about this.<sup>59</sup>

Abraham Beckerman, a name scantily ever mentioned in any current historical accounts of the labor movement, is one of the most important figures in understanding the relationship between the organized left and organized crime during the Great Depression. Beckerman, who earned the nickname "Knockout", was a delegate at both Socialist Party and Amalgamated conventions;<sup>60</sup> the Amalgamated representative in AFL's "Committee for Preservations of the Trade Unions", which declared war on the Communist Party in 1926;<sup>61</sup> and the head of the Amalgamated New York Cutters' Local 4. The importance of the cutters' locals cannot be emphasized enough, as the clothing industry hinged on the work carried out by the cutters' division.

Beckerman was joined by a fellow SP functionary and Lepke-controlled union leader Philip Orlovsky, who served as Local 4's executive secretary. Orlovsky and Beckerman created their own "fiefdom" in Cutters' Local 4, operating almost autonomously and brutally stifling any dissent that posed a threat to their authority. Through Beckerman's and Orlovsky's cooperation, Lepke was able to extort a portion of the rank-and-file dues and receive funds from the men's clothing protectives for "administering the rough stuff" to manufacturing shops that strayed from the protective

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<sup>59</sup> Fraser, *Labor Will Rule*, 247.

<sup>60</sup> "Proceedings of the 1919 Convention of the ACWA", NYU Tamiment Library ACWA Archives, Box 1, New York, 32 and Socialist Party 1919 Convention Delegates, 1919 accessed January 8, 2011. <http://www.marxists.org/history/usa/eam/spa/spa-conv19delegates.html>.

<sup>61</sup> Philip S. Foner, *The History of the Labor Movement in the U.S. Vol. 10: The T.U.E.L., 1925-1929* (New York: International Publishers, 1994), 88.

system.<sup>62</sup> Despite complaints from various Amalgamated officials about Lepke's infiltration of Local 4, Hillman remained largely indifferent to the widespread corruption.<sup>63</sup> It would take the catastrophic effects of the Great Depression for Hillman to spring into action against the racketeers.

With the deepening crisis brought on by the Great Depression, manufacturers began dramatically reducing workers' wages. At the behest of Lepke (who was simply transmitting and enforcing the decisions of the manufacturers) Orlovsky and Beckerman began reducing the rank-and-file wages. This incident would prove to be the breaking point for Hillman; the wage reduction was a flagrant violation to union policy and effectively delegitimized his leadership. As detailed in Josephson's biography, Hillman led the union's rank-and-file to successfully picket a Lepke-controlled shop, along with physically seizing Local 4's headquarters from Orlovsky.<sup>64</sup> Hillman did objectively rid the Amalgamated of the corrupted and parasitic rule of Beckerman-Orlovsky. However, what needs to be called into question is Hillman's intentions and overall orientation towards labor racketeering, which in this case was embodied by Lepke Buchalter. Contrary to the conventional narrative, Hillman's dramatic crusade against labor racketeers in 1931 was fundamentally about regaining control over a runaway local. If Josephson's account of the aftermath of the 1931 anti-racketeering campaign was true, it would lend a certain amount of credibility to the claims that Hillman "cleansed and redeemed"<sup>65</sup> Local 4. However, far from being "cleansed and redeemed", the

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<sup>62</sup> Fried, *The Rise and Fall*, 160.

<sup>63</sup> J.B.S. Hardman threatened to resign in 1925 because nothing was being done to stop Lepke. Found in Fraser, *Labor Will Rule*, 246.

<sup>64</sup> Josephson, *Sidney Hillman*, 348-351.

<sup>65</sup> Fried, *The Rise and Fall*, 163.

Amalgamated Union remained a base of operations for Lepke, with the only change coming from a new set of names and faces under his control.

Matthew Josephson and Jean Gould (*Sidney Hillman: Great American*)<sup>66</sup> write of the relative ease Hillman's aide Murray Weinstein had in removing Phillip Orlovsky from the premises of Local 4's offices the morning of August 29, 1931. However, the background to Orlovsky's non-confrontational exit actually stems from the fact that Lepke brokered a deal with Hillman, trading off Orlovsky for a new set of intermediaries.<sup>67</sup> Despite the egregious amount of evidence implicating Orlovsky, Beckerman, and his associates in violating union protocol and breaking the law in general, charges were never brought against Orlovsky and company. Under Hillman's watch, Orlovsky was removed from his post, with Bruno Belea, Sam Katz, Paul Berger, and former boxer Danny Fields brought in to serve as intermediaries between Lepke and the union. We now know from FBI testimonies that Belea and company received 280 dollars a week between 1932 and 1936 to oversee Lepke's extortion racket. When Hillman wanted truckers to discontinue shipments going to non-union contractors in New Jersey he turned to Lepke to enforce the stoppage.<sup>68</sup> Beyond Hillman's posturing and brief outbursts against organized crime in the New York, in reality, Hillman essentially tolerated criminal elements, so long as they did not challenge his leadership. Throughout the 1920s and 30s he utilized gangsters and/or corrupt union officials connected up with criminal syndicates when it was convenient and conducive to pushing through his plans. During the Lepke-era of labor racketeering, Hillman's approach to organized crime

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<sup>66</sup> Jean Gould, *Sidney Hillman: Great American* (Boston: Houghton, Mifflin, 1952).

<sup>67</sup> Alan Block, *Eastside-Westside: Organizing Crime in New York, 1930-1950*. New Brunswick, New Jersey: Transaction Publishers, 1983, 172.

<sup>68</sup> Revelations regarding weekly payoffs for Lepke's men and New Jersey truck stoppage found in Fraser, *Labor Will Rule*, 251-253.

infiltration was not one guided by ideals or ethical considerations, but one fundamentally rooted in practicality, efficiency, and pragmatism.

Much of the same can be said about ILGWU leader David Dubinsky. Early in his career as a labor organizer, Dubinsky found a foothold in the ILG's Cutters' Local 10, where he was elected the general manager and all round "chieftan of the proletarian elite in the garment industry."<sup>69</sup> Dubinsky emerged as an impressive leader for the Socialists in their campaign against the Communists during the 1926-1927 struggles, and would eventually become the ILGWU President in 1932 – a position he would hold until 1966. Like Hillman, Dubinsky tolerated the organized crime infiltration of ILG's unions up until a certain point. However, in surveying various historical accounts it is clear Dubinsky did not have as much of an active hand in dealing with the underworld as Hillman.<sup>70</sup>

By all accounts, Lepke Buchalter had effectively infiltrated the New York garment industry for several years after the unrelated deaths of Arnold Rothstein and Little Auggie. In this light, one cannot help but be both amazed and shocked in reading David Dubinsky's memoir *A Life With Labor*. The opening sentence of Dubinsky's chapter on gangsterism in the labor unions boldly states, "Racketeering is the cancer that almost destroyed the American trade union movement."<sup>71</sup> However, after briefly discussing a racketeering incident in 1925, Dubinsky abruptly skips ahead to 1947, bypassing 22 years of union history! Dubinsky has the privilege to take such an

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<sup>69</sup> Gus Tyler, "David Dubinsky: A Life with Social Significance," *Monthly Labor Review* (October 1994): 43. <http://www.bls.gov/opub/mlr/1994/10/art5full.pdf>. (accessed 12 March, 2011).

<sup>70</sup> Robert Parmet, *The Master of Seventh Avenue: David Dubinsky and the American Labor Movement*. New York: New York University Press, 2005, Dubinsky, *David Dubinsky: Life with Labor*, and William Weinstone, *The Case Against David Dubinsky*. New Century Publishers: New York, 1946.

<sup>71</sup> Dubinsky, *David Dubinsky: Life with Labor*, 145.

extraordinary leap in time due to the history of racketeering in the sector of the garment industry he was responsible for leading. The nature of organized crime infiltration was mainly of the ‘backroom deals’ and unspoken agreements between manufacturers and racketeers. However, the shadowy world of racketeering in the women’s wear industry was fully exposed with the arrest of garment manufacturer Benjamin Levine. On February 10, 1938, District Attorney Thomas Dewey charged Levine for acting as the ‘principal conduit’ through which money collected from garment manufacturers was distributed to Lepke and Gurrah. Levine ascended to the highest ranks of the racket in 1933, revealing the long-term, entrenched positions Lepke and Gurrah were able to secure in women’s wear. It is hard to believe over the course of these 5 years that Dubinsky was in the dark about Lepke’s role behind the protective.<sup>72</sup>

In the main, Lepke’s activities in the women’s wear industry came primarily from payoffs handed to him by manufacturing protective associations for his role in keeping smaller shops from undercutting larger manufacturing firms. Dubinsky was willing to tolerate the arrangement, always preferring to avoid confrontations in order to maintain stability and growth. Perhaps, the most precise summation of David Dubinsky’s relationship with organized crime comes from a lecture delivered by Thomas Dewey when he revealed, “ I met with David Dubinsky and Sidney Hillman regularly throughout 1936...I knew they were involved with gangsters, but they wouldn’t speak...they wouldn’t budge”.<sup>73</sup> Dewey’s quote best exemplifies Dubinsky’s history with organized crime; always keeping a safe distance, yet never mobilizing the rank-and-file to drive gangster elements out of the industry. It is important to note that Dubinsky’s

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<sup>72</sup> “Reputed Chief Aide of Lepke Gives Up,” *New York Times*, 11 February, 1938, 1.

<sup>73</sup> Fraser, *Labor Will Rule*

unwillingness to cooperate with Dewey on labor racketeering did not come from a moral stance of abstaining from working with the government due to some kind of socialistic, anti-capitalist ethic. In fact, Dubinsky worked fairly regularly and openly with American politicians such as Senators Hubert Humphrey and Herbert Lehman to eradicate any Communist influence in the American trade union movement.<sup>74</sup>

Overall, the historiography concerning Dubinsky and Hillman can be divided into two periods: the first being the early biographies that glorified their heroic struggles against labor racketeering in the service of American workers, while the second phase of scholarship can be characterized by its ‘defensive rationalizations’ of labor’s alliance with organized crime. Confronted with the overwhelming amount of evidence linking Sidney Hillman with the criminal underworld, historians such as Stephen Fraser and Albert Fried, chalk up Hillman’s long-term association with labor racketeers to the larger forces at play.<sup>75</sup> Albert Fried concludes,

We can agree that Lepke maintained his considerable strength in the men’s clothing industry and his extensive connections with the Amalgamated Clothing Workers, even its leadership. We can also agree that there was nothing devilishly sinister in those connections...nothing sinister in the fact that the union had to acknowledge the enormity of Lepke’s presence and in so doing turn it to their own best advantage.<sup>76</sup>

With this largely determinist summation, using the extreme criteria of “devilishly sinister” to assess Hillman’s connections to organized crime, Fried dishonestly excludes Lepke’s well-documented history of strike-breaking, shakedowns, and rank-and-file extortion from his overall summation. Perhaps if we were limited to the history of the

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<sup>74</sup> Jewish Labor Committee, *Jewish Labor Fights Communism* (New York: Jewish Labor Committee, 1950).

<sup>75</sup> Fraser, *Labor Will Rule*, 253-254.

<sup>76</sup> Fried, *The Rise and Fall*, 165.

textile industries within the Garment District, the rationalizations for labor's complicity with gangsters like Lepke would possess a certain amount of credibility. However, as we turn our attention to the fur industry, the Communist-led International Union's ability to confront and overpower "the enormity of Lepke's presence" serves as a powerful counterargument to both Fried's and Fraser's determinist rationalizations.

### **Furriers' Fury**

New York's Fur Industry, a subsection within the larger Garment District located on Seventh Avenue between 27<sup>th</sup> and 30<sup>th</sup> streets, shared the basic conditions and characteristics of the textile industries: dominated by highly-competitive, small shops; unstable, seasonal work; a workforce mainly constituted of Jewish immigrants; a fierce, long-standing struggle between right-wing Socialists and left-wing Communists; and the presence of the Jewish criminals within the union and the manufacturer associations. A key factor that set the New York fur industry apart from the other industries in the Garment District was the successful 1926 Communist-led strike. A year before the 1926 furrier strike, the left-wing faction of the union had gained control over a majority of its locals. The IFWU's president, Socialist Morris Kaufmann, refused to seek common ground with the left-wing section, led by Communist Ben Gold. As a result, the Socialists established the *Progressive Group*, a faction within the Union that acted as the official affiliate to the AFL. Similar to ILG leader David Dubinsky, the Socialist furriers mustered all of their resources to drive out any Communist influence within the Union and regain its leadership positions. Perhaps hard to believe in today's political context, the Communists and the AFL-affiliated Socialist leadership were locked in an intense struggle, where both regarded each other as sworn enemies.

This rivalry would take a qualitative leap during the Communist Third Period (1928-1935) when the Comintern ordered all of its parties to adopt an ultra-left program, leading to the establishment of Communist dual-unions and the identification of Socialists and Social-Democratic parties as “social-fascists”. Conversely, the Socialists and major AFL leaders viewed the Communist-dominated IFWU as their largest obstacle in cleansing the American trade union movement of subversive, Communist influence. Matthew Woll, vice president of the AFL, made his views on the matter perfectly clear when he publically stated, “ We must not remain silent... We must crush the Communist fortress in the Furriers Union and chase out all the Moscow agents from all the unions. We must protect our blessed democratic freedoms from the Communist conspiracy.”<sup>77</sup> Irving Howe’s fitting use of Melech Epstein’s account of the “ civil war between factions that began to resemble gang war”<sup>78</sup> vividly captures the extreme nature of the fighting:

Vicious fights on the picket lines, in the shops, and on the streets were a daily occurrence. Few weeks passed when workers, slashed with knives of their trade or trampled by the boots of rival unionists, did not fill the emergency wards or night courts.<sup>79</sup>

It was this bitter rivalry, accompanied by the common practice of hiring out criminal elements, which set the stage for a series of violent episodes that spilled out on the streets of the Garment District throughout the Great Depression.

In surveying a majority of the literature on labor racketeering, it can be said with very little hesitation that Ben Gold consistently led his rank-and-file to confront, resist,

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<sup>77</sup> Gold, *Memoirs*, 88.

<sup>78</sup> Howe, *The American Communist Party*, 251.

<sup>79</sup> Melech Epstein, *Jewish Labor in U.S.A.; an industrial, political and cultural history of the Jewish labor movement. Vol. II 1914-1952* (New York: Trade Union Sponsoring Committee, 1953) cited in Howe, *The American Communist Party*, 251.

and drive out criminal racketeers from the International Union.<sup>80</sup> The first phase of struggles took the form of street battles with labor-sluggers hired by the AFL in order to disrupt various labor strikes. The second phase of resistance to the criminal underworld came in a violent struggle against Lepke Buchalter. In Ben Gold's *Memoirs*, he details three different encounters with strike-breaking gangs between 1927 and 1930: the Frenchie Gang, the Shapiro Gang, and the Soldier Bartfiled Gang.<sup>81</sup> The strikes in which all three of these cases occurred were the result of the Communist-led union protesting the Socialist-AFL's efforts to force manufacturers to only hire AFL union workers. In all three of these cases, furrier workers were mobilized into red "defense committees" to protect the pickets from gangster attacks, as opposed to the Communists hiring out another gang of labor-sluggers as was done in the dressmakers' strike. The development of the defense committees are significant in that they show a political leadership consciously deciding to rely on, and mobilize, the workers they claimed to represent. This also gave them the ability to circumvent the more traditional model of hiring gangsters, a strategy that often left unions more vulnerable to criminal infiltration. Although Gold's *Memoirs* are predictably biased in certain respects, they remain a valuable resource in providing a rare glimpse into the actual struggles that unions had to undertake in order to overcome and expel a formidable force. Gold describes the first attack of the Frenchie Gang against a picket line:

The Frenchie gangsters, after surveying the battlefield thoroughly, used careful methods. They waited until the workers were inside the shops at work and the mass of unemployed workers' ranks had thinned out after 1 PM... Then the

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<sup>80</sup> This consensus ranges from vehement anti-Communist Irving Howe, *The American Communist Party*, 251, to the more unbiased Fried, *The Rise and Fall*, 157, to pro-CP historian Philip S. Foner, *The Fur and Leather Workers Union: A Story of Dramatic Struggles and Achievements*. Newark, NJ: Nordan Press, 1950.

<sup>81</sup> Gold, *Memoirs*, 92-96 & 105-107.

gangsters of the right-wing furriers union attacked the strikers, beat them up with steel pipes and ran as from a fire...<sup>82</sup>

The response of the union was as follows:

In order to protect the workers from any more such attacks...we organized a defense committee from among the members of the Union...In one week's time, over a hundred workers pledged to protect the strikers...We divided our defense committee into four groups to be positioned in four different locations...After one o'clock, a large gang of gangsters attacked the pickets in only one place. When the shouts of "Gangsters! Gangsters! Were heard all over Seventh Avenue, the unemployed workers surrounded the gangsters and helped the pickets "argue things out" with them.<sup>83</sup>

Gold goes on to write:

Suddenly, they saw a group of gangsters rush out of their hiding places and attack the outer side of the ring of pickets. The workers were helpless and defenseless, with no possible way of escaping from the gangsters' fists, which were hammering their bodies...In a matter of a few seconds, they (the defense committee) were hammering back at the gangsters. There were eight gangsters and forty enraged workers of the defense committees...not one of the gangsters was able to escape the fists of the workers.<sup>84</sup>

This scenario played out again only a few months later, however, this time with a gang led by the Shapiro brothers.<sup>85</sup> By 1929 the CP furriers, along with the left-wing factions from the textile and hat industries, had severed whatever few remaining ties they had with the right-wing Socialists in the IFWU to form the explicitly Communist dual-union NTWIU (literature concerning the NTWIU in the fur industry commonly refers to it as the Industrial Union). Later that year, an ad-hoc defense committee was successful in foiling an attempt by the Soldier Bartfield gang to ambush and attack Communist leaders

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<sup>82</sup> Ibid., 92.

<sup>83</sup> Ibid., 92.

<sup>84</sup> Ibid., 92.

<sup>85</sup> Ibid., 94.

in their new headquarters.<sup>86</sup> The confrontations of this time period were carried out with brute, primitive force by small-time labor sluggers contracted by rival right-wing union officials. Incident after incident reveals a consistent pattern common to the archaic labor-sluggers era, however, the mobilization of the rank-and-file into defense committees remains an important exception to the rule – an exception that would prove to be incredibly valuable as Lepke began to set his sights on the fur industry.

Louis Buchalter and Jacob Shapiro's careers in the fur industry began in April 1932 and ended in the summer of 1933.<sup>87</sup> The main individual responsible for the bringing Lepke gang into the fur industry was none other than Abraham Beckerman. Beckerman joined with former IFWU president Morris Kaufman to create the Fur Dressers Fur Corporation in 1932 after he was expelled from Hillman's Amalgamated Union. This cartel, along with Protective Fur Dressers Corporation, was made up of the 63 largest fur-dressing companies. Recounting his career in Amalgamated, Beckerman told FBI agents, "For about one and one-half years previously, I had been personally acquainted with Louis Buchalter and Jacob Shapiro."<sup>88</sup> Beckerman would turn to the Lepke-Shapiro gang when he entered the fur industry, stating, "I called one of them on the telephone and went up to see them. I explained that there was a certain amount of organization work, meaning rough stuff, that would have to be done and inquired whether they were in a position to undertake it . . . They told me that they would take care of me."<sup>89</sup> Behind Beckerman's tactful use of the euphemistically dubbed "organization work", existed the reality of 12 assaults, 10 bombings, 1 kidnapping, 3 acid throwings, 2

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<sup>86</sup> Ibid., 96.

<sup>87</sup> FBI "Fur Dressers Case", 3.

<sup>88</sup> Ibid., 3.

<sup>89</sup> Ibid., 3.

cases of arson, and dozens of telephone threats.<sup>90</sup> Labor historian Phillip S. Foner asserts that Lepke and Gurrah offered the Industrial Union a set of concessions for the workers in the form of wage increases in exchange for their complicity and occasionally enforcing a strike when necessary... the Industrial Union refused.<sup>91</sup> With Gold's furrier union remaining free of any major criminal presence, the conflict between the Industrial Union and Lepke would eventually arise out differences over decisions regarding the manufacturer protectives.

As previously discussed, union leader Morris Langer was murdered as a result of his refusal to call for strikes against a fur shop that was operating out of compliance with the fur protectives. Despite the extreme measures taken by Lepke to intimidate the union, the union leadership refused to capitulate following Langer's death and the workers remained in the shop. Tensions between Gold's Industrial Union and Lepke would reach a violent climax on the morning of April 24<sup>th</sup>, 1933. The mob violence and street melee that broke out in the Union's headquarters on West 28<sup>th</sup> street has become one of the most widely documented confrontations between organized labor and organized crime in New York history. FBI investigations indicate that Lepke maintained a hotel suite in the vicinity of the Garment District where a meeting was held with a group of gangsters who were instructed to "raid the left wing headquarters" and were "furnished with steel pipes wrapped in newspapers and guns."<sup>92</sup> At 10 am Lepke's crew invaded the second floor of the NTWIU headquarters and began to beat union members with steel pipes.<sup>93</sup> Ben Gold was leading a meeting on the fourth floor when shots began to be fired on the second

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<sup>90</sup> Ibid., 4.

<sup>91</sup> Foner, *The Fur and Leather Workers Union*, 400.

<sup>92</sup> FBI "Fur Dressers Case, 4.

<sup>93</sup> "One Slain, 16 Hurt As Thugs Raid Union," *New York Times*, April 25, 1933, 12.

floor, specifically targeting the office of union leader Jack Schneider.<sup>94</sup> After the initial shock of the raid wore off, the furriers began to collectively fight back against the assault. In addition, hundreds of furriers spontaneously began to stream out of their shops (many still clutching their knives and cutting tools) and poured into the Union's headquarters.<sup>95</sup> In all of the chaos, the gangsters began firing on people indiscriminately, presumably out of fear and as a means to escape from the crowds of angry workers. When the police finally regained control in the Garment District, 15 workers were found seriously injured, one worker had been shot to death, and another seriously wounded by gunfire (the second victim, Harry Gottfried, would later die from his stomach wound).<sup>96</sup> Photos in the *New York Times* displayed six unconscious gangsters lying on the sidewalk, badly cut-up and severely wounded from the crowd of workers.<sup>97</sup> In addition, two workers were shot to death – one by a stray bullet, the other by a police officer.

A majority of historians mark this incident as the final blow against Lepke in the fur industry.<sup>99</sup> While it can be agreed that the April 24<sup>th</sup> raid represented a decisive turning point for labor racketeering in the fur industry, it was most certainly not the last battle in the furriers' struggle to rid the union of labor racketeers. The Communists seized on the momentum produced by the April 24<sup>th</sup> battle and went on the offensive against Lepke-Gurrah. In a sense, the gauntlet was thrown down and the future of the Industrial Union would pivot on the events in the aftermath of the raid. As a result a concerted effort by the International Union, accompanied by the public release of various

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<sup>94</sup> Gold, *Memoirs*, 120.

<sup>95</sup> Gold, *Memoirs*, 121 and "One Slain, 16 Hurt..." *NYT*, 24 April, 1933, 12.

<sup>96</sup> "One Slain, 16 Hurt..." *NYT*, 12 and Foner, *The Fur and Leather*, 407.

<sup>97</sup> *NYT*, April 25, 1933, 13.

<sup>99</sup> Historians include Fried, *The Rise and Fall*, Kavieff, *Lepke Buchalter*, and John Hutchinson, *The Imperfect Union: A History of Corruption in American Trade Unions* (New York: E.P. Dutton, 1970).

crimes committed in the fur industry, Abraham Beckerman and four other protective associates were arrested for price fixing. Hundreds of thousands of flyers, pamphlets, and press releases were distributed by the Industrial Union at demonstrations, public meetings, and busy street corners listing the names and crimes of known racketeers. The NTWIU called for a mass demonstration against racketeering on May 13<sup>th</sup> in New York's Union Square with flyer that read, "Let Us Take up the Struggle to Drive the Racketeers and Gangsters from the Needle Trades Industry".<sup>100</sup> Throughout the period of exposing underworld racketeers a special defense corps was created to protect union headquarters and leaders. By the end summer of 1933 Lepke had in fact given up on expanding his empire into the fur industry. A few years later, NTWIU furriers Irving Potash and Samuel Burt would be the only witnesses ever to come forward and specifically name Lepke and Gurrah under sworn testimony. After the trial, even mainstream press outlets such as the New York Post reported, "Lepke and Gurrah were convicted of racketeering in the rabbit skin industry largely based on the testimony of Irving Potash...and Samuel Burt."<sup>101</sup>

After looking at the three main industries in New York's needle-trades (men's wear, women's wear, fur), it is important to delineate how the leadership of each union dealt with racketeers when faced with a decisive moment of direct confrontation and upheaval. Sidney Hillman took a firm, public stance against the criminal underworld in the trade union movement, however was willing to tolerate its existence so long as it helped serve his interests. His anti-racketeering campaign in the summer of 1932 did in fact mobilize the rank-and-file to confront Lepke's might. Tens of thousands of workers

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<sup>100</sup> Foner, *The Fur and Leather Workers Union*, 409-411, "Red Fur Workers Routed," *New York Times* 25 May, 1933, and "Reds Kept In Order," *New York Times*, 30 May, 1933.

<sup>101</sup> Foner, *Fur and Leather Workers Union*, 411.

flooded the streets of the Garment District with picket signs declaring “ Down with Gangdom”, and suffered physical attacks (including one murder) as they consciously fought against the presence of racketeers in the Garment District. However, after the tide subsided and Lepke’s functionaries were removed from the cutters’ local, Hillman slowly regressed back into business-as-usual. Despite his anti-racketeering posture, his unwillingness to intensify the struggle against racketeers after making an initial gain in 1932 reveals where he truly stood on the question of “gangdom” in the Garment District.

A larger, more comprehensive biographical account of Hillman and Dubinsky does in fact show both to be powerful leaders who contributed a great deal to the American labor movement; whether it being their roles in elevating garment workers out of the highly exploitive, sweatshop industry or public figures who put labor’s struggles for economic justice in the national spotlight. Despite Hillman’s and Dubinsky’s gradual turn toward more conservative positions as their careers grew, both men remained committed to improving the conditions of workers who held the very same positions they held when they themselves were new immigrants, making ends meet as shop workers in the garment industry. However, when it came to labor racketeering, both Hillman and Dubinsky formed a discreet alliance with very same underworld forces that were responsible for breaking up strikes and assassinating labor organizers.

All of this stands in marked contrast to Ben Gold’s leadership in the fur industry. In the aftermath of Lepke’s unsuccessful attempt to drive the Communist leadership of the International Union out of the fur industry, the Union mobilized its entire membership to expose and eradicate Lepke’s crime syndicate from the industry. Clearly, the Communist Party was not free of collaborating with labor sluggers and underworld

figures, as witnessed in the historic 1926 dressmakers' strike. However, in surveying the Garment District's history over the course of the 1920s and 1930s, it becomes apparent that Communist collaboration with labor racketeers was something of an anomaly, as opposed to long-standing relationship. For instance, prior to the 1926 dressmakers' strike the CP took a firm stance against cooperating with underworld 'strong-arm men'.

Charles S. Zimmerman, who in 1925 was still a leader in the CP's ILGWU Joint Board, refused to stop a strike at the Roth Costume Company after several 'hired goons' gave him an ultimatum of: stop the strike or lose your life. A few days later Zimmerman was enjoying a walk with his wife on an autumn day along 25<sup>th</sup> street when a group of men attacked him in front of clothes store, beating him so badly he was sent to the hospital for days.<sup>102</sup> In the aftermath of the 1926 CP-led strike, articles in the *Daily Worker* took a firm stance against racketeering, with virtually no mention of any serious Communist-racketeer collaboration in the Garment District in the historic literature on the subject.<sup>103</sup>

The CP's decision-making process and justifications for utilizing Little Augie during the 1926 strike remain in the realm of speculation. Ben Gold's *Memoirs* and Philip S. Foner's series on *The History of the Labor Movement in the United States* dishonestly make no mention of Little Augie's lengthy employment by the CP during the strike. David Dubinsky's memoirs only shed light on the cast of characters and chronology of the strike, as the CP mainly kept Dubinsky in the dark about the inner details of the strike. Perhaps it can be said that the magnitude of the stakes involved with

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<sup>102</sup> An account of the 1925 beating can be found in *Dubinsky: A Life with Labor*, 150.

<sup>103</sup> There is an incident described in the FBI's "Fur Dressers Case" of a group of men raiding a fur shop operating during a strike, but remains ambiguous if it was hired criminals or not. For articles in the *Daily Worker* denouncing racketeering see C. Hirsch, "Gangsters Labor Racket," *Daily Worker*, October 20, 1950, and G. Morris, "Will Dubinsky Unite Workers to Meet Menace of Gangdom?" *Daily Worker*, May 12, 1949.

the 1926 dressmakers' strike prompted the CP to hire Little Augie as a necessary measure to assure that pickets would remain in the street. Later writings in the *Daily Worker* provide little insight into the CP's view of labor racketeers other than the fact that racketeers were 'lackeys for the capitalist class' and 'enemies of the workers'.

### **Undercurrents**

Although the Garment District produced a complex array of contradictory figures and political organizations, one can begin to form a sense of coherency when assessing the degree of pragmatism exhibited by this assortment of union leaders in relation to their history with organized crime. In addition, there was a mutually reinforcing relationship between the philosophical currents of pragmatism and the political strategies employed by union leaders. Before proceeding to examine the philosophical underpinnings of organized labor's relationship to organized crime during this time period it is important to take note of a key factor in the realm of politics. This political factor can be found most clearly expressed in the events surrounding the deterioration between Sidney Hillman and the Communist Party in 1924. Hillman and the CP had a much publicized falling out over the question of supporting Robert La Follette Sr.'s candidacy for President. However, in addition to the La Follette issue, Hillman and the CP had two very different views on how to approach labor organizing in general. Hillman wholeheartedly believed the best way to gain workers' rights and labor reforms was through the stabilization and improvement of the industry in which the rank-and-file labored.<sup>104</sup> The CP took an entirely different approach to trade union organizing, based on their summation that workers' would be in a stronger position to have their demands met the weaker the

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<sup>104</sup> Josephson, *Sidney Hillman*, 208-210.

industry became through a combination of capitalist crises and militant, union organizing. Clearly, there is a direct connection between both respective positions and their views on the question of revolution versus reform.

However, in returning back to the main question at hand, Hillman's general political strategy of improving the industry as a means of improving the workers' conditions was a factor in laying the basis for Hillman to open up his door to labor sluggers and criminal syndicates. The elimination of small shop competition and creation of a fixed-price system brought about by the protectives that Lepke and Gurrah had a major part in establishing, presented an advantageous arrangement for Hillman's pursuit of stability and union growth. However, with the successful effects of the NIRA negating the need for industry protectives, Hillman's continued use of criminals like Lepke in the mid-1930s point to a union leader who grew accustomed to the "convenience" of racketeers, moving even further beyond any ethical or political justification for collaborating with the underworld. As part of synthesizing the political patterns and trends of the multiple unions in the Garment District, it is helpful to echo the point previously made by historian Alan Block that: the more radical the union, the less likely it is to be infiltrated by organized crime.<sup>105</sup>

The 'practical minds' of leaders like Sidney Hillman and the old guard Socialists whose conservatism grew in tandem with their power in the labor movement discarded any import placed on political theory. The abstract character of theory (or political theory) that tends to be more universalistic, especially within a leftwing Marxist movement, could have potentially prevented or limited their dealings with the underworld

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<sup>105</sup> Block, *Eastside-Westside*, 176.

instead of the short-sighted, 'by any means necessary' approach that was marked by quintessential, pragmatic thought. With pragmatism's central tenant being "that the meaning of a concept is given by its practical utility and nothing else",<sup>106</sup> this unofficial principle would have a considerable impact on progressive and radical movements throughout American history.

Along with the popular place that pragmatism has occupied in American culture generally; Debsian-era Socialist intellectuals like Max Eastman<sup>107</sup> and Morris Hillquit<sup>108</sup> had a direct connection with influencing and creating a precedent for the incorporation of pragmatic thought within the New York labor movement. As Hillquit's general political orientation of putting the practical, day-to-day struggles over the potentially divisive theoretical issues was adopted by the likes of Dubinsky and Hillman, the extra 'muscle' brought in by racketeers appeared as a viable, effective tool in making immediate gains. As Hillman's early biographer Peterson wrote, "To describe Hillman's thinking as either conservative or radical was fallacious then, as later. He was, by disposition, not an ideologist, but a realist (in John Dewey's sense of the word)".<sup>109</sup> When asked to comment on ideological quarrels in the Socialist movement Hillman responded, "Bah, they sound like the French Revolution of 1848, but this is America in 1928!"<sup>110</sup>

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<sup>106</sup> Found in the glossary entry for "Pragmatism" on Marxists.org.  
[www.marxists.org/glossary/terms/p/r.htm](http://www.marxists.org/glossary/terms/p/r.htm) (April 2, 2011).

<sup>107</sup> Eastman, Max, "Editorials," *Liberator* 3 (August 1920), 5 as cited in Brian Lloyd, *Left Out: Pragmatism, Exceptionalism, and the Poverty of American Marxism, 1890-1922*. Baltimore: Johns Hopkins University Press, 1997, 396.

<sup>108</sup> As an example, in Hillquit's *Socialism Summed Up*, there is virtually no discussion of major philosophical or theoretical trends in their own right within the Marxist movement nor the importance of theory within the Socialist movement. His book focuses on the primacy of the economic base, class composition, and his views on how Socialism can and needs to be Americanized to appeal to a broader audience. Morris Hillquit, *Socialism Summed Up* (New York: Metropolitan Magazine Company, 1912).

<sup>109</sup> Josephson, *Sidney Hillman*, 225.

<sup>110</sup> *Ibid.*, 324.

However, despite the assuredness of Hillman's claims, the America of 1928 was not one in the same as the Garment District of 1928. The Garment District of the 1920s was a convergence point for Jews from the extinct Russian empire forging new lives in the emerging American empire. Throughout the streets and factories of New York, many of them brought the ideals of Marxism and revolution from the distant lands that would eventually become part of the Soviet empire. Whether the immigrants were simply poor, dispossessed families leaving the peasant villages or shtetls of Czarist Russia (as most of them were) or part of the generation of European Jews who were swept up in the revolutionary upheavals of early 20<sup>th</sup> century Russia, there was the sobering experience brought on by the 'new world' upon arriving in New York. America's developed industrial capitalist economy; its chaotic, fast-paced commerce surging throughout the Garment District, also swept up the hundreds of thousands of Jewish immigrants into the modern urban world of overcrowded slums, factory life, and the realities of interacting and contending with immigrants from other countries. Along with the new opportunities found in education and labor, there were also new opportunities found in vice. Unlike the Italians, Jews did not arrive in America with a historically developed crime network. The Jewish mobster is a distinctly American creation. With no traditional ties to the past, he was free to fully embrace and embody the very ethos of capitalistic America. The ideals and struggles of his fellow brethren fell on deaf ears as he ambitiously fought his way out of the ghetto- no matter what the cost. Objectively, however, there was a cost; the countless amount of workers intimidated, beaten, and murdered by underworld gangsters represents a living testament to the essential nature of the criminal class profiting from carrying out capital's dirty work.

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