

Factory Man Study Guide

Factory Man by Beth Macy

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Summary

“Factory Man” by Beth Macy is the story of the famous Bassett family of Bassett furniture fame and fortune. The company began its operation in rural Virginia and quickly emerged as a leader in the US furniture-manufacturing industry. With its success came the need for more and more factories and more and more employees. A town aptly named “Bassett” sprung up around the main facility. At one time, Bassett, Virginia, boasted a population of more than 3,000 – the vast majority of which worked for Bassett Industries.

John Bassett III is named after his grandfather, J.D., who was one of the pioneering patriarchs of the family business. J.D. had taken the company to a multi-million dollar operation and eventually emerged as the number one furniture maker in the world. John’s father, Doug, was president of the company when John graduated from college. He surprised everyone by going off the reservation choosing not to take his rightful place in Bassett Furniture’s leadership team instead electing to join the Army. It was obvious that John was not cut from the same cloth as most of the other Bassetts.

When John returned from a three-year tour in Europe, he had matured and was ready for the responsibility of running the company. Doug thought that his son was brilliant but wild and unpredictable. When Doug came down with a terminal disease, he passed over his son and named Robert Spilman, his son-in-law, in the executive position that John was certain he would assume. He was young and decided to hold on. He was certain that he eventually he would take the reins of the company. But it wasn’t to be.

Spilman assigned John to run a factory in Mt. Airy. He was a threat to Spilman who didn’t like to have him around. John finally saw the light when Spilman’s son ascended into leadership and he was bypassed again. Although it stung, he realized later it was the best thing that ever happened to him. It made him a fighter. John struck out and bought his own furniture-making factory which proved to be a great success.

When Asian furniture manufacturers began to dip their toes into the American market, the stealth globalization of furniture making began. The Chinese furniture-makers undercut American prices and artificially drove down market prices. As a result, U.S. factories began closing and jobs were lost to low paid workers across the globe.

John wasn’t one to cave to the demands of the new market. He wanted to keep his plant operating and his workers employed. When he learned that he could fight underselling through the U.S. Commerce Department it fueled his determination to save his plant, his employees and the U.S. furniture-making industry. He singlehandedly waged a war against his Asian competitors and emerged victorious. But so much damage had been done that the victory was bittersweet.



Part I

Summary

The impact of globalization on Southwest Virginia company towns had hardly received any coverage in spite of the fact that the crisis had been the worst since the Great Depression. One after the other, companies were closing up and relocating to China, Mexico and Vietnam. Twenty-thousand people in the Henry County region had lost their jobs.

John D. Bassett III of the Bassett Furniture Company, which had been the biggest furniture manufacturer in the world, was defiant -- no "Chi-Comms" were going to tell him how to make furniture. Three decades before he had been kicked out of the family business by a relative.

Globalization had saved American consumers billions. Workers in third world countries benefited from new employment opportunities. It was the American factory worker, however, that was the victim of globalization. The white collar workers often were not offered jobs with new owners.

Unemployed workers from furniture factories in the small Virginia towns of Galax and Bassett were desperate for work. They had endured poor working conditions and long hours in their years in the factories. One furniture-store owner had lost 70 percent of his business. John Bassett III's brother-in-law had elbowed him out of the business.

John grew up in wealth, luxury and fame. He was born in Horsepasture, Virginia, during the flood of 1937, and it was the happiest day of his father Doug's life. John was full of himself. He was the rich man's kid, the one everyone talked about.

Race was an everyday issue. Blacks worked on the tobacco plantations. Tobacco farms stopped at the foothills of the Blue Ridge Mountains as did black migration. At that time, African Americans made up nearly half of the population of Bassett.

The Bassetts and the families that co-owned Martinsville textile mills were known as 'the Families'.

The Bassett furniture business grew over the years, and by the time John came along, his grandfather, J.D., was the majority stockholder in seven plants and a major stockholder in six others. He had his own FDIC-insured bank and there were 3,000 residents in Bassett, Virginia, a small manufacturing town named after his family. His oldest son, W. M. Bassett, was running the operation in 1927. It was a cutthroat environment. W. M. was angry and quit because his father named someone else vice president. W.M. became involved in another successful furniture company. Ultimately, J. D. wanted W.M. back in the family business and lured him by putting him in charge of Bassett Furniture Industries, the corporate umbrella for all their holdings.



Under the leadership of W.M., what came to be known as Bassett Superior Lines became the most successful furniture manufacturer in the history of the industry. Much of their success was due to the design talents of Leo Jiranek who was talented at copying the styles of elite furniture lines. Despite its success, Bassett was criticized by the press for its cronyism and for the mass-produced middle-America designs. Nonetheless, the furniture was selling as quickly as it was made. The furniture and its modest cost was just what the people needed. By the time John went to college in 1952, Bassett was enjoying annual sales in excess of \$30 million.

Junior Thomas was born in 1926 in one of the original shacks in Bassett. His parents worked in the Bassett factory. Junior was hired after he returned from World War II. Bassett's workforce was 20 percent black from its beginning although they were paid half-wages compared to the white employees. At the time, it was unusual for blacks and whites to be working together in the same positions. Segregation was a reality at Bassett. Blacks had their own bathrooms and drinking fountains. In the 1920s Jim Crow loomed in the states of the Deep South. However, Bassett's philosophy was that it didn't matter what color the workers were – they were expected to show up on time and work hard. When a white doctor refused to treat a black employee, the doctor was fired.

Analysis

This section describes the establishment and early days of Bassett Furniture. Bassett quickly emerged as a dominant force in the in the U.S. furniture-making industry. The background of the company and its place in the southern small town set the stage for the story that unfolded when its pristine existence was threatened from stealth competitors all the way across the globe.

The author included this background information because the history of the company is important in the saga of the family-owned furniture dynasty. John Bassett emerges as the main character and it's important to understand his roots and the life of privilege that he lived. The author wants the reader to understand the Bassett family and the important role they played not only in furniture manufacturing but in the community whose people were completely dependent on Bassett for their livelihoods.

The good that the family did for the community and their workers is contrasted against the backdrop of the dark secret relationships that many of the Bassett men had with their black maids and housekeepers. J.D. treated his black housekeeper, Mary Hunter, like family and saw to it that the county built an elementary school in her name. The closeness between the Bassetts and their housekeeping staff became legendary. But there were pros and cons. Dorothea Estes had to put up with J. D.'s hands up her skirt, but he made it possible for her to send her daughter to college. There were rumors about the paternity of some of the maids' light-skinned children and even speculation that Ed Bassett had a black half-brother named Clay Barbour. Julie Barbour was C. C. Bassett's maid. She wasn't raped, but she was probably coerced into have sex with C. C. Obviously black employees were exploited, but the Bassett men, particularly J.D.,



recognized their true value; he lauded his black employees and was known to say that, "they made me."

The story of small town factories and their importance in the lives of so many is a tale that all Americans can appreciate in this, the age of globalization.

Vocabulary

paisley,chutzpah, eponymous, nemesis, circuitous, bateaux, prophesied, topography, demographics, consummate, watershed, tenacious, bona fides, proliferating, finickier, veneer, cronyism, bodacious, miscegenation, mulatto, enclave

Part II

Summary

The majority of the kids from Henry County and from Galax, Virginia, worked for Bassett after graduation. It was always hard times for the poor people in the mountains and the men who ran Bassett and Galax exploited it. Galax was named for the evergreen herb that is common in the foothills, but it became known for furniture and mountain music. Its manufacturing roots reached back to the Bassetts.

The Vaughan-Bassett Furniture Company was established with part ownership belonging to Bunyan Vaughan. Of high importance to Vaughan and their patriarch sponsor, Bassett, Galax held the three most important aspects in Southern furniture making: plenty of lumber, access to the railways and an eager workforce. Since Southern furniture makers didn't make high-end furniture as in the North, they weren't hurt as much by the Depression. Frank E. Ransom in "The City Built on Wood," wrote that J. D. Bassett and the southern furniture manufacturers exploited the snobbery of the North for their own success. Traditionalist furniture manufacturers stubbornly held on to their artisan craft rather than cave and lower themselves by using machinery to produce furniture. J. D.'s operations in Galax and Bassett suffered some damage but survived the Depression. After the war, Bassett was on its way to becoming the largest furniture maker in the world.

When John graduated from Washington and Lee in 1959, he surprised many by joining the army for a three-year tour in Europe. While John was away serving in the military, his CEO uncle, W.M., spent millions in modernizing their operations. His innovations positively impacted the economy in Bassett. Designer Jiranek copied more expensive pieces for mass production at Bassett. W.M., who learned the furniture business from the ground up, expected a lot from his workers but was generous and kind to them on a personal level. He led a successful campaign to ward off the Teamsters who were attempting to unionize Bassett Trucking. The town mourned W.M. when he died at sixty-five. The people felt he had made Bassett the town that it was.

Doug took over the company and appointed his cousin Ed Bassett as his number two. When John returned from the military, his father named him Quality Control Manager. His biggest competition was his brother-in-law Robert Spilman who was an ambitious go-getter. John was seen as charismatic but cocky. J.D. kept an eye on operations from his hospital bed and schooled his grandson, John, on working hard and running a factory.

The company continued to prosper. When it celebrated its sixtieth anniversary, banners were strung across town that read, "\$60 thousand to \$60 million in 60 years." The company was advertising in national magazines and buying up smaller companies. J.D. had created a multi-million-dollar empire and the pressure was on his heirs to continue its progress. Their biggest competition was across the world where a manufacturing



empire was silently being established. Mao Tse-tung spent the 1960s building state-owned factories and banning the establishment of private enterprises and foreign investment.

After John's relationship with his German girlfriend ended, the women in the family were determined to find him a proper mate. Pat Vaughan Exum was a friend of his sister Jane and was John's fourth cousin. They met at her grandfather's funeral and began dating a few weeks later. A year later they were married. They honeymooned in Hawaii and were oblivious to the activities of a Chinese Wharton School grad named Larry Moh who had launched a parquet-flooring company in Hong Kong and would eventually become a threat to the Southern furniture industry.

In 1965, J.D. died at the age of 98 when the company was near \$100 million in sales. He left thousands of dollars to staff and nurses with the rest of his \$6.3 million fortune going to the family. Just a year later, Doug was diagnosed with terminal cancer of the spine. On his deathbed, Doug named Ed as Chairman of the Board and Robert Spilman as his number two.

Analysis

This section describes the dynamics between members of the Bassett family and the emergence of John Bassett III into the company business. There was a long-term tension between Doug and John III, father and son. Doug believed in the school of hard knocks and made sure that his son didn't have it too easy despite the family's wealth and privileged existence. Doug kept a watchful eye on his son, John, who he considered bright but undisciplined.

Despite the fact that Doug named his cousin Ed as his number two man, he had a deep-seated resentment for him because of speculation about Ed's black half-brother, Clay Barbour. Upon John's return from his European tour in 1962, Doug was less than pleased to learn that John had developed a serious relationship with a German girl. Ultimately, Doug put an end to his son's on-going relationship with his German girlfriend. It was something that hurt John and something he never talked about.

After falling ill and having to name a successor, Doug who considered his son brilliant but unpredictable, passed over John and named his son-in-law as one of the company leaders. Speculation was that Doug opted to pass over his own son in favor of Spilman because he was married to Jane, his favorite child. John was hurt but later realized it was the best thing that ever happened to him. It made him a fighter. He would spend years trying to earn the respect of his family. The entire family, including John, still believed that he would one day run the company.

The author includes the family intrigue to gain understanding and even sympathy for John. It is important to the story because it explains who John is and what made him the man he became. The author wants the reader to appreciate the chaos that existed within the Bassett family, a family to the outsider seemed to have it all. Appearances



can be deceiving. The average reader can take comfort in this story... being rich and privileged isn't everything.

Vocabulary

patriarch, albeit, encapsulated, fedora, incessantly, nonagenarian, indomitable

Part III

Summary

Bob Spilman was proud of the reputation he had for being tough. He was known to stand by the elevator and greet workers who were a few minutes late for work with a sarcastic, "Good afternoon." According to some, Bob was merely the titular leader of the company. It was Jane who, behind the scenes, called the shots.

In 1972, Frank Snyder was hired as the company's first in-house attorney with the task of bringing the company into EEOC compliance and settling a number of related lawsuits. Although the Civil Rights Act had been passed in 1964, most Bassett factories were still segregated. In 1972, race relations and the Vietnam War consumed most of the nation's attention at the time Nixon visited Mao Tse-tung in the "week that changed the world." Snyder toured all the plants to announce that Bassett henceforth required strict adherence to the Civil Rights Act. Some whites rejected the idea that blacks would be treated as equals. John told them they could leave because that was the way it was going to be.

Many employees recalled Spilman with deep resentment; some called him wicked. He was known to let his anger turn to violence. He kicked the company pilot for a mishap he was involved in. But like J.D. before him, Spilman also displayed spurts of kindness and generosity toward his factory workers. A recession struck the nation in the early 1970s. Bassett was still acquiring companies and had \$100 million in the bank. They didn't lay people off during the economic downturn but worked them harder and used faulty equipment longer. Spilman's goal was to be a captain of the industry and land Bassett in the Fortune 500.

Spilman assigned John the job of running the National Mount Airy plant, which most workers considered a terrible place to work – low pay and bad conditions. The furniture makers in Mount Airy were craftsmen who didn't take to the machinery. W.M. had done away with the old methods 50 years before. John considered the Mount Airy workers behind the times. The workers were independent mountain people who took off from work to pick peaches or apples in their orchards. The old companies had been bleeding money because they were operating by old, passé standards. John gave his assignment his all. Working 19-hour days and talking furniture non-stop, even in his sleep.

John's problem was to convince Spilman to invest more money into Mount Airy. John had Pat stay behind in Bassett to be his eyes and ears. He endeared himself to the workers. After having an angry confrontation with one of the workers, John went to his house and personally apologized. John also dug in and helped with menial jobs. He protected his Mount Airy employees against the tyranny of Spilman. It became more obvious to John that Spilman would never bring him into the top management of the company.



After two years John made the Mount Airy factory profitable proving his capabilities to the board of directors. When he and Pat returned to Bassett with their three young kids, John learned that his former office on the top floor of the Taj Mahal, as the corporate officers were referred to, had been taken over by Spilman and his secretary. His office was now in a former clothing store down the street from Bassett headquarters.

China's new leader, Teng Hsiao-p'ing, was opening up China to global markets and foreign investors. In July 1978, the Taiping Handbag Factory the first foreign-owned factory opened up in Hong Kong. By 1980, the Chinese had established four special economic zones and within a decade Chinese exports surpassed \$100 billion. Spilman refused to import inexpensive pieces that required assembly from the Pacific Rim. He knew the practice would lead to unemployment and closed plants. However, he also realized that retailers could go directly to Asian companies and cut out Bassett altogether. Bassett was approached by manufacturers in Hong Kong and Taiwan who promised to produce Bassett quality furniture at a 20 to 30 percent cost savings. Bassett was also beset with new lawsuits and bad PR over the death of infants in Bassett cribs. Spilman was dubious about Snyder's handling of the situation. When Snyder left the company it wasn't on good terms. In 1981, Bassett was still the world's largest furniture manufacturer with 35 active factories.

Analysis

Family conflicts that intersect with family business operations continue to dominate the story. John was cut out of all decision-making after his father's death. Spilman wouldn't even let him fly on the company plane. Ultimately, Spilman assigned John to run two merged plants in Mount Airy. He liked it when John wasn't around. Still John was certain he'd be president of the company some day. It was something he was told from his first memories. John rose above being mistreated by Spilman and focused on how he could best do his job. In the tradition of Bassett men, Spilman was negligent in preventing the sexual harassment of women. Managers often competed to see who could bed a new female employee first. Spilman didn't participate in the sex games but liked to hear about them.

There was varying speculation about what finally put John over the edge and caused him to leave Bassett. Perhaps it was the ascension of Spilman's son, Rob, Jr., that made him see the light. There was a rumor that John and Spilman had a fistfight which John later denied. John left to work for Vaughan-Bassett in Galax. His goal was to become the company's president. John had struggled to find his niche in life. After being pushed out by his own family and denied his rightful position as company head, John realized that sawdust was in his blood and struck out on his own.

In the mean time, other things were taking place under the radar that would present profound challenges to Bassett and all the American furniture-manufacturers. Chinese Communist officials and entrepreneurs were formulating plans for venturing into furniture making with hopes of entering into the lucrative American market.



The author continues to evoke empathy for the way John is mistreated. But the prediction that his abandonment would make him tougher is coming to pass. The reader now knows that John had made a permanent break with his family. His stellar performance at Mt. Airy and his treatment of his employees in the tradition of J.D. tells the reader that John would probably be okay. The reader can take a lesson from John – when times get tough, the tough get tougher.

Vocabulary

firebrand, pedantic, lascivious, impervious, inexplicably, stagflation, anathema, mantra

Part IV

Summary

Larry Moh, a Chinese national living in Taiwan and educated at Wharton Business School figured out how to best capitalize on the new importing opportunities. By the mid-seventies, China's growth was slow compared to other countries of the Pacific Rim and it remained a poor country. Moh saw that China was hungry for industrialization. He and his colleagues discovered a process that allowed them to use cheap rubber wood for furniture making. Best of all, it would be free. Moh set up shop and began making hotel furniture with a goal of selling it in America. Universal Furniture was a success and within a few years had factories in Hong Kong, Singapore and Taiwan.

Moh was the first Asian to export furniture to Middle America and he clobbered Southern furniture manufacturers. Other companies were selling Asian imports at lower prices than Bassett which forced Spilman to do the same. American furniture factories were closing. American employees had to teach Chinese workers how to create the wonderful finishes and veneer work that had taken years to develop. Bassett did make the Fortune 500 in 1987 and 1988 but it was anticlimactic. Furniture companies like Lane and Kincaid were selling out to corporate raiders. Outsiders were taking over the industry and bankrupting it. American-made chairs were the first victim of globalization. The bigger companies had the hardest time competing with Asia because they moved slowly and their management was far away from the process. Many thought Bassett was vulnerable but Spilman's frugality paid off; the company had \$65 million in reserves.

Spilman had secret plans to fight back. He named the scheme Operation Blackhawk. But while Spilman stormed about showing who was in charge of Bassett, Moh was also plotting. To combat raising wages in Taiwan, he opened plants in ten other countries. With sales of \$500 million annually, Universal became the fourth largest furniture maker in the world. John Bassett was paying attention and wondering when it would be his turn to deal with Moh and company.

John worked at putting Vaughan-Bassett on the map by winning over one worker at a time. He faced a challenge with the antiquated machinery and the uninspired management team. When he arrived, the company was behind in paying its bills and the quality of the furniture produced had declined. John became plant manager; the current president who was Pat's uncle was not ready to retire. John did as much as he could to improve conditions even investing a sizable amount of his personal money and obtaining loans to purchase new machinery. He took major steps in training his employees in new manufacturing methods. John closely monitored the processes and practices of the factory and its 1,500 employees.

The Vaughan family had hopes of buying Vaughan-Bassett outright. The Vaughans had done a lot of the years to improve the town of Galax which engendered loyalty in the people. John stole a number of employees from Bassett one of whom was the very



capable plant manager, Duke Taylor. Taylor, in turn, hired product engineer Linda McMillian away from the Mount Airy plant. John acquired the old Williams Furniture Company in Sumter for \$4 million. He planned to launch a new factory called V-B/Williams from scratch. Although it was risky, the company began to show an immediate profit from making MDF or “glit” furniture which involved a gluing paper-on-particleboard something that Larry Moh and company had not yet ventured into.

To shore up his work force, Larry Moh appealed to the Communist Chinese government. He realized that China needed people like him as much as he needed laborers. He could make them part of globalization, improve the economy and make life better for the millions of Chinese. Moh figured out how to sell directly to American retailers and skip the manufacturers. Moh began acquiring American companies BenchCraft among them. Moh and his staff were smart about running tight and efficient lines in their factories.

Analysis

The intrigue of the impending “Chinese invasion” is front and center in this section. Unknown to Spilman who planned to fight the Chinese furniture makers off, Larry Moh, a pioneer in the Chinese furniture manufacturing industry, is lining up a big ally – the Communist Chinese government – to help the industry amass an adequate work force.

John proved to be a challenge to another family, the Vaughans. But the challenge he presented was a positive and forward-looking one. John riled the Vaughans when he raised the salaries of floor workers without consulting any of the family members. He had learned from J.D. to treat his workers well. John was in on every step of the manufacturing process. He expected a lot out of his employees but not more than he was willing to give himself. Low-income people were his targeted demographic and he worked at understanding what they needed and wanted. John related to his mainly black workforce. He never wore a suit and tie so that he appeared to be one of them. But John was a businessman first and drew a line in the sand. He warned his workers that if they unionized, he would close the plant. The operation was a huge success. By the time he sold the plant in 1998, it was valued at \$33 million.

Although the Vaughans ostensibly objected to John’s impromptu wage increases, their real problem with John was that he was a threat to them because of his family connections. Bassett had always been the elephant in the room. The Vaughans were holding their breath, waiting for the rogue bull to charge.

A new reality hit the small southern town whose residents relied on furniture-manufacturing to eke out a living. Globalization began to seep into the US furniture manufacturing industry in the form of Asian manufacturers who undersold their American counter parts and put their very existence in jeopardy.

The author has portrayed John as strong and Spilman as inadequate and self-absorbed. It is obvious to the reader which man is better positioned to fight the Chinese



invasion which the story is marching toward. John is seen as a hero. Treating people right when you don't have to is the mark of true character.

Vocabulary

agrarian, abscond, trajectory, vehemently, salvo, amalgam

Part V

Summary

By the mid-nineties, a large portion of furniture making had been shifted to China. American manufacturers believed that the bedroom furniture segment would not be lost due to the exorbitant cost to ship the bulky furniture. China was increasing the quality of the furniture it manufactured while still keeping costs down. Moh stayed ahead of costs by relying on labor from developing markets.

Due to lagging sales, Spilman was pushed out and officially retired in August 1997. Bassett had slid from the top to number seven among furniture makers. Spilman's son Rob was named president and COO of Bassett Industries but lost out on the CEO position to Paul Fulton who helped run Sara Lee and other large corporations. Fulton adopted a blended policy to combat importers. They would beat prices when possible but when not possible they would outsource the work.

Inspired by Ethan Allen furniture, Rob created Bassett gallery stores, called Bassett Direct, throughout the nation. Fulton took the concept a step further calling in an ad executive who convinced Fulton et al that they were "backwoods Neanderthals" when it came to image. Bassett paid \$100,000 to improve their branding and brought on a VP of Marketing. Rob had no intention of cutting the workforce but downsizing was inevitable. Between 1997 and 2000, Bassett dropped down from operating 42 factories to just 14 and hundreds of employees lost their jobs.

The Chinese produced a bedroom suite for \$400 less than Vaughan-Bassett's version of the same set and stole a sizable chunk of market share. He asked his workers to work faster and for their ideas on how to improve the process. But there was no silver bullet that could produce a cheaper dresser than the ones from China. In 2001, the influx of the Chinese dressers had cut Vaughan-Bassett sales by ten percent from 2000.

China was poised to join the World Trade Organization and overtake Japan as the largest exporter to the U.S. John met with suppliers including lumber companies and warned them that if his company didn't survive they wouldn't either. It compelled them to take whatever cost savings steps they could. John adopted a seven-day factory-to-store delivery model called Vaughan Bassett Express. Quick repairs or replacements were also promised. If they couldn't beat the Chinese on cost, they could beat them on service. John sent Wyatt and Rose Maner, an industry friend and native of Dalian, Taiwan, to find the plant that produced the cheap dresser to learn as much as they could about its process.

Between 2000 and 2002, furniture imports from China had jumped 121 percent. By 2003, the U.S. furniture industry had shed 73,000 jobs and shutdown numerous plants. John was depending on Wyatt and his delegation to Dalian to help him figure out his place in globalization. The first plants Wyatt and Rose visited in Dalian looked like



Virginia factories of the 1930s and didn't have room for expansion into the American market. However, on the outskirts of Zhuanghe, a large new factory complex was being built to accommodate the American market. There were plans for an American Furniture Industrial Park that would "force American domestic furniture manufacturers to close their doors."

U.S. furniture manufacturers were suffering. Out of desperation, they looked to the law to learn if there was a law that would offer some protection from unfair and maybe even illegal trade. Joe Dorn, a trade attorney, spoke at the 2002 AFMA meeting informing them that a coalition of furniture makers and furniture workers had the right to ask the Commerce Department to investigate whether foreign manufacturers were guilty of underselling, or dumping, which led to loss of jobs and closure of domestic factories. John met privately with Dorn who told him he had to have 51 percent of the his industry to pursue an anti-dumping case against the Chinese.

John traveled to Taiwan to tour the plants himself. He met with He YunFeng, a Communist Party official, who said, without blinking an eye that the Chinese intended to become the world's largest furniture maker. The Chinese would take the loss on the bedroom suite in order to capture market share. Part of the plan was to force retailers to "own" the inventory. The official suggested that John close his factories and give all his business to the Chinese. That didn't go over well with John. Over the next year, American furniture makers were sending employees to China to teach their workers about American furniture making.

Analysis

John continued to demonstrate his leadership and determination to make his company a success. John was up for the challenge. John had graduated from the school of hard knocks that his father wanted John to enroll in. Unlike many of the Bassett executives, John was willing, even eager, to make personal sacrifices to help his company make it.

John routinely went on the road with his salesmen, flying coach to save company funds. There was no company plane and corporate offices were sparse and inexpensively furnished the exact opposite of the Taj Mahal. During the 1990 recession, managers took a 10 percent salary decrease and forty laborers were laid off. John took no salary at all. He established new lines of credit to rectify the plant's former poor management. He created a bonus for workers who were on time and had a good attendance record.

On the other side of the coin, the Bassett executives displayed their snide pettiness. John apparently was still a threat to them and hadn't been punished enough for... just being John. In the wake of their quest to ruin John, they also ruined many other lives. Rob Spilman and Fulton got word that John was interested in buying W.M.'s old plant in Martinsville. They ran interference and prevented the purchase. The 400 laid off workers saw the demolition of the plant as an old family feud. While the national unemployment rate in 1998 was 4.2, the unemployment rate in Martinsville was 15.2.



The Asian interlopers caused severe and, in many cases, irreparable damage to U.S. domestic furniture manufacturing, the furniture worker and small towns of the South whose very existence relied on furniture-making factories. Factories were closing and furniture-makers were losing their jobs forever.

The author portrays John as a hard worker who checked his ego at the Bassett door when he left. This is all leading to the ultimate battle with the Chinese. The author continues demonstrating John's strength of character and resourcefulness in the face of downtimes – exactly the recipe for standing up to the Chinese. John is portrayed as a good role model that the average reader can relate to and admire.

Vocabulary

parsimonious, edict, dearth, nullify, myriad, roughshod, alacrity, hubris, panache, propensity

Part VI

Summary

The antidumping team consisted of John along with sons Wyatt and Doug, Dorn and a Taiwanese translator. Wyatt was introspective while Doug was dynamic and well-connected politically. John had managed to gather the majority of his industry to support his efforts. If it were successful, domestic production would be boosted but importers would be forced to pay heavy duties. Many U.S. companies, concerned most with finding cheap labor, were actually cheering for John to lose. John sought support from both furniture manufacturers and their employees.

For the next several years, John spoke before Rotary Clubs, coalition meetings, and Congressional hearings. In the midst of more factory closings, Dorn filed the petition in October 2003. Fifty-seven percent of the bedroom-furniture industry had signed on. The petitioners had to prove that the foreign countries were dumping and that it harmed the domestic industry. It didn't matter what opponents or economists said about the action. The only thing that would decide the case was the Tariff Act of 1930. John only wanted the government to enforce the law. Winning wouldn't eliminate future factory closings or other failures. It would merely create a level playing field.

ICT decisions are made by six people – three Democrats and three Republicans. One of Bush's appointees was Charlotte Lane, a Republican and daughter of a former factory worker. As the time of the hearing approached, John was met with more animosity from industry insiders. Some called the coalition a bunch of has-been cry babies. When she toured his factory, Lane was impressed with John's willingness to fight for what he thought was right in the face of so much opposition.

The preliminary hearing was bitterly fought; emotions were high on both sides. The lawyers for Chinese interests pointed out that the petitioners purchased from their clients on a regular basis and that their products were of higher quality. They asked the Commission to dismiss the petition in favor of globalization's natural economic course. Dorn urged the Commission to follow the law which required them to consider the harm done to domestic companies and their workers. Dorn laid out the losses that U.S. companies had suffered since the Chinese invasion. The Department of Commerce launched an investigation that resulted in a vote by the Commission in favor of the petitioners. The Chinese manufacturers were going to have to pay. While preliminary duties were levied at only 14%, Dorn pointed out that the coalition had a right to participate in a dumping margin review that would substantially raise that percentage.

Bassett was forced to close the plant in Dublin, Georgia, just prior to the ITC hearings. Henry County once possessed the highest percentage of manufacturing jobs in Virginia but now had the highest unemployment rate. There was a real possibility that more - if not all - of the plants would be shut down. Rob Spilman had seen the huge plants in China himself some time before. He was convinced that they wanted to take over the



world. As company president, Rob had personally closed a number of Bassett plants. He was hoping that by joining the coalition Bassett would be able to salvage the remaining plants. Bassett shared in the \$17.5 million in duties collected over the next six years but the company had already suffered so many closings that they may not have much impact. Customers were traveling to Asia and buying directly from the Chinese. Bassett found it particularly difficult to adjust to the new world order in furniture manufacturing.

John closed the Sumter plant in June 2004; he had no choice if he hoped to keep the other plants operational. The government had determined that China was cheating but it came too late to save Sumter. Everyone was experiencing the impact of NAFTA and other trade agreements that the government had entered into years before. John was in a serious accident that resulted from his falling asleep at the wheel. The stress and fatigue finally got him, but he thought that someone was trying to kill him.

Analysis

John Bassett's leadership came to the forefront. Those years of abuse made him the fighter that he needed to be. He single-handedly began to fight the Asian insurgency and stood up to the demands of a market with pricing that had been artificially driven down by unfair underselling. When he learned that the U.S. Commerce Department could come to the rescue, he took the ball and ran with it despite sharp criticism from his peers and retailers who were willing to cave to the Asian furniture makers.

Retailers who were against the action lined up lobbyists in D.C. Free-trade proponents claimed the action violated the spirit of the WTO. As many as 53 law firms were hired to fight John's team. Economists and business professors predicted that the petition would cause a loss of jobs. Dorn told the coalition that they had a 50-50 chance of being successful, and if they were, Chinese import prices would increase by 30 to 40 percent. John pulled the patriotic card when met with resistance. He once again proved that he had vision and was a leader who didn't look back to see who was trying to tear him down. He just knew to move faster without looking.

The author is illustrating the fruit of John's rough road in life. Despite the fact that John was born into wealth and was a millionaire through inheritance, he wasn't afraid to "get his hands dirty" and stand up to harsh criticism that others with his money and family name would have caved to. Perhaps all those years of mistreatment by family members and the struggle to make his factory successful were all leading up to this fight. Unlike the rest of the industry, especially former industry leader Bassett Furniture, John was up for the challenge. John's story teaches the reader to never give up and to never abandon one's values and dreams.

Vocabulary

zygote, arcane, vitriolic, nefarious, sophistry, august, subterfuge

Part VII

Summary

Opponents of the upcoming duties feared that they would be increased after the annual review which would essentially end most Chinese imports. Such an outcome would challenge the domestic supply chain and would not bring back any jobs. The free traders reminded the petitioners that globalization was an eventuality and that standing in its way would only temporarily delay it. John suspected that some of the retailers didn't pass the savings from cheaper Chinese products onto their customers but pocketed it instead. John went to work designing new lines of furniture to compete with manufacturers who were big importers of Chinese products. The new lines were made efficiently and quickly and became John's best seller for six years.

Between 2001 and 2012, over 63,000 American factories closed and five million factory jobs were lost. The national unemployment rate was 5.2 percent but as Tom Friedman said in "The World Is Flat," "When you lose your job, the unemployment rate is not 5.2 percent; it's 100 percent." Stories of the impact globalization had on small towns were not often seen in the New York Times or Washington Post.

Bassett and other small towns in the region were in decline both physically and in spirit. John hated to return to Bassett to see how the once bustling town was defeated and neglected. John discovered that all the brass and copper had been stolen from J.D.'s mausoleum. The theft was either due to need or bitterness or, more likely, both. Former employees in the furniture making industry felt they were going backwards. Many had no health insurance and most had gone through their savings. They took on jobs like mowing lawns and gardening work to eke by.

In 2007, the last furniture factory in Bassett, the storied Bassett Superior Lines, was on the verge of closing despite the \$1.54 million they received in duties the year before. The company consisted of imports, stores and custom-assembled domestic pieces. No more low-cost furniture was being produced. Bassett could have been in a worse financial situation but they invested in hedge funds which produced the millions they needed to operate. Most line workers had no idea that the focus on retail was one of the reasons they lost their jobs. Looking back, Rob Spilman thought Bassett could have survived as a manufacturing entity and that their switch to retail was a mistake.

During a five-year review, lawyers for the opposition pointed out that factories like Bassett Superior Lines closed even though they received healthy dumping duties. Others petitioners were called hypocrites for turning to imports for the majority of their supplies. Many of the Taiwanese factories had closed down and moved to duty-free Vietnam. John and the other petitioners wanted to maintain settlements – pay offs by Chinese manufacturers to get their names off the annual review. Some in the industry equated settlements with shakedowns.



Lawyer John Greenwald faulted the commission for not understanding that it was just switching production to other Asian locations. Greenwald admired John's genuineness in saving American furniture manufacturing, but he was fighting against impossible odds. Many economists maintained that the duties hurt poor people because of price increases on necessities. MIT professor David H. Autor was one of the few economists who recognized the downside of globalization and the long-term damage it did to those it displaced.

What John accomplished wasn't a game changer in globalization. But to the people of Galax it was a grand slam. To the lawyers on both side of the case, the antidumping case brought them fifty to sixty million dollars in fees. He YungFeng was one of the most egregious violators and was levied a 41.75 percent duty which was applied retroactively. As a result, he cut back on American exports and closed all his American warehouses. John invested \$23 million of the duties he received in new equipment. He also contributed 10% to an employee profit-sharing plan and to new health care benefits. Critics could continue to complain for all John cared but they never had to stand before 500 people and tell them that they were out of a job.

Analysis

John once again finds himself in the center of controversy and the target of resentment among his peers. The animosity toward John was blatant at the 2004 Market show. John continued to take the high-road in response to critics. Recalling the metaphor about the lone girl on an island of men, John believed that if his company was the last one standing, the retailers would all flock back to him.

Fifteen retailers had dropped Vaughan-Bassett which wiped out \$8 million worth of orders. Despite the losses, he would not budge. Retribution was in the air and other petitioners felt the sting as well. John risked losing the little support he had but there was no turning back for him. He was doing the right thing for the right reason. People in the impacted towns saw John as a hero who didn't turn his back on them. He remained an outcast to his peers; a hillbilly who didn't understand the global world.

John was victorious in his fight against Asian furniture makers. The Commerce Department found the Asian furniture makers guilty of underselling or dumping and levied heavy duties on their imports.

Vocabulary

vociferous, meandering, convoluted, neoclassicists, periphery, de facto, egregious

Part VIII

Summary

Vaughan closed its plant in Galax. Many workers believed that the Vaughans could have held on longer. They knew that John would have to literally be on his last dime before he would close up shop at Vaughan-Bassett. Some of the unemployed did menial work like cutting grass while others trained at Goodwill and the United Way for job placement. Tourism in the mountain town rose over the years and required services – which meant jobs – to support it. Forty percent of Galax residents qualified for food stamps. A quarter of the residents live in poverty. People never got rich in Galax but that had always been able to make a decent living. Many feel that John's boldness will be remembered for years.

Stanley Furniture still imported adult furniture from Indonesia and Vietnam; the company adapted a blended strategy in 2011. It invested millions in one of its plants and brought back its Young America's children's line. Stanley hired Micah Goldstein to oversee the rejuvenated line. He had state of the art equipment that included overhead flat-screen TV monitors installed which shrank the work force through attrition.

Stanley's Asian operations were located in Indonesia. In 2012, workers made a hundred dollars a month. In 2013 the minimum wage was raised and the workers were then paid \$180 a month. For many of the workers, the job at Stanley was their first job. An hour away, a state-of-the-art factory was filling orders for Ethan Allen. The factory in Panca Wana was considered the most modern furniture factory in the world.

Even though talk of reshoring manufacturing is increasing, economists doubt that furniture manufacturing will make a second appearance in the U.S.; high-end furniture and cabinet-making being the exceptions. Other exceptions include Vaughan-Bassett, a factory in Mississippi and Amish furniture-making enclaves. Estimates are that furniture making will endure for another ten years before it is moved to another developing market. Cheap labor will dictate where furniture is made. U.S. furniture company heads do not worry about those who lost jobs. Their concern is that someone may begin making furniture cheaper than they do.

Although John didn't return Galax to its past glory, by keeping Vaughan-Bassett operating, he was able to keep suppliers in town. Galax without Vaughan-Bassett would be a ghost town. The plants that John saved were part of his legacy. The fundamental value of manufacturing is the community that it creates. If people realized what is taking place, they'd never shop at WalMart again. John and his son still visit retailers across the country. Part of his sales pitch is the promise of a speedy delivery.



Analysis

John's dedication and concern for his employees' welfare never ebbed. In 2006, John tasked his controller with resolving the company's health care policy. Workers found it difficult to pay the \$25 co-pay and many didn't get the medication they needed. The Vaughan-Bassett Free Clinic saw patients on weekday afternoons and on Saturdays. Minor care and routine procedures were provided at no cost to the workers. When some employees, mainly men, refused the free check-up, John met with them and convinced them to have the physical.

Vaughan Bassett was the island girl... the last furniture factory standing. John's company had withstood the Chinese invasion. John remains behind the reins of Vaughan-Bassett and aims to prove that furniture-making could once again be robust in America. He thinks about retiring but he gets antsy when he takes a few days off. He still focuses on improvements and innovations that will improve his line and output.

John is beloved by the people on the floor. John opened an old Webb Furniture plant that had shed 300 jobs. It took three years and millions of dollars to get the plant up to speed. He was able to rehire 115 former workers. To John "can't" is a dirty word. Since John hadn't tied himself up with Chinese operations, he was free to expand when the economy began to grow again.

One retailer remarked that John's real talent was making other believe they were idiots. The lone island girl metaphor always brings laughs. John saw Bob Spilman at a ceremony honoring Rob Spilman in 2008. Bob made sounds like he was going to apologize for the rough treatment that John got from his own family but John stopped him. It was too late for apologies. It was the last time John saw Bob. Besides, things worked out just fine.

Vocabulary

enclaves, provenance, incumbent, churlish, rhetoric

Important People

John Bassett III

John Bassett III was the son of Doug Bassett who became President and CEO of Bassett Furniture. He grew up in wealth, luxury and fame. He was born in Horsepasture, Virginia, during the flood of 1937. It was the happiest day of his father's life. Young John was viewed as arrogant – the rich man's kid who had no worries about his future.

John was different than other members of the Bassett family. He was an independent thinking young man who after graduating from college elected to join the Army instead of taking his rightful place at the family business. He had a three-year tour in Europe where he served the country in the day time and partied at night. After returning home, his family was upset that he had a close relationship with a German girl that he wanted to maintain. Eventually, his family convinced him that she wasn't the right girl for him. He was hurt by the forced break-up and never liked to talk about it.

Doug made John a Quality Control Manager at the company upon his return. Doug considered his son brilliant but unpredictable and wild. When Doug became terminally ill, he bypassed his son and opted to name his cousin, Ed, and son-in-law, Bob Spilman as the company leaders. John was hurt by his father's actions but he was young and was sure he'd become the company president at some time in the future. But that day never came.

John eventually left Bassett and opened up a furniture factory in Galax which was called Vaughan-Bassett Furniture. John was a successful furniture maker and was one of the only southern manufacturers who stood up to the Chinese invasion and globalization. He led the fight against the Chinese and their cut-throat prices that were devastating domestic furniture manufacturers.

J. D. Bassett

J.D. Bassett was an early leader in the Bassett Furniture Company. He was the majority stockholder in seven plants and a major stockholder in six others. He had his own FDIC-insured bank and the town named after his family had 3,000 residents. His oldest son, W. M. Bassett, was running the operation in 1927. It was a cutthroat environment. W. M. was angry and quit because J.D. named someone else vice president. But J. D. wanted W.M. back in the family business and lured him by putting him in charge of Bassett Furniture Industries, the corporate umbrella for all their holdings.

After J.D. retired he still watched over operations at the family business. Even when he fell ill, he kept an eye on operations from his hospital bed and schooled his grandson, John, on working hard and running a factory. J.D. had created a multi-million-dollar empire, and the pressure was on his heirs to continue his work. The people of Bassett,



Virginia, loved the old man and felt that he had given the opportunity to make a good living.

In 1965, J.D. died at the age of 98 when the company was near \$100 million in sales. He was a generous man who left thousands of dollars to staff and nurses with the rest of his \$6.3 million fortune to his family.

W. M. Bassett

J.D. Bassett's oldest son, W. M. Bassett, was an executive in the Bassett Furniture Company 1927. He was stunned and angry and resigned his position when his father made named someone else vice president. W.M. established himself in another successful furniture company. J.D. wanted W.M. back in and put him in charge of Bassett Furniture Industries. Under the leadership of W.M. Bassett, the Bassett Furniture Company came to be known as Bassett Superior Lines and became the most successful furniture manufacturer in the history of the industry.

Miss Pokey

After J.D.'s wife, Miss Pokey, quit the Baptist church when she was criticized for playing bridge and her moderate drinking, the Bassetts built a bigger church closer to home.

Leo Jiranek

Much of the early success of Bassett Superior lines was due to the design talents of Leo Jiranek who was adept at knocking off the designs of more expensive furniture lines without putting Bassett furniture in legal jeopardy for patent infringement.

Mary Hunter

J.D. treated his black housekeeper, Mary Hunter, like family and saw to it that the county built an elementary school in her name. She was the victim of sexual abuse which was a common occurrence between Bassett men and their black housekeepers and maids. To Mary it was a trade off; she was able to send her daughter to college with the generous salary she made working for the Bassetts.

Doug Spilman

Doug Spilman was President and CEO of Bassett Furniture and was the father John Bassett III and Jane Bassett Spilman. Doug believed in the school of hard knocks and was harsh with his son who he considered brilliant yet undisciplined. When Doug came down with terminal cancer, he by-passed his son and named his cousin Ed as President and CEO and his son-in-law, Bob Spilman as his number two.



Jane Bassett Spilman

Jane was Doug's favorite child. Many speculated that Jane got her father aside and convinced him to place her husband in a leadership position in Bassett Furniture and bypass her brother.

Bob Spilman

Bob Spilman was married to Jane Bassett, Doug Bassett's daughter. He was elevated to a leadership position when Doug died and eventually was named President and CEO. Bob Spilman was proud of the reputation he had for being tough. He was known to stand by the elevator and greet workers who were a few minutes late for work with a sarcastic, "Good afternoon." According to some, Bob was really just the titular leader of the company. It was Jane who, behind the scenes, who ran the company. Spilman felt threatened by John and wouldn't even let him fly on the company plane. He eventually assigned John to run the Mt. Airy plant because he didn't like John around.

Rob Spilman

When Bob stepped down, he named his son (John's nephew), Rob Spilman as President of the company. With this move, John finally recognized that he would never assume a leadership role at Bassett.

Larry Moh

Larry Moh launched a parquet-flooring company in Hong Kong and would eventually become a threat to the Southern furniture industry. He was one of the pioneers in Chinese furniture manufacturing that eventually devastated the U.S. furniture manufacturing industry. He was bright and savvy and was always a step ahead of the market. When wages went up in one Asian city our country, he would move his operation to another location to keep his prices down.

He YunFeng

John traveled to Taiwan to tour the plants and met with He YunFeng, a Communist Party official, who said, without blinking an eye that the Chinese intended to become the world's largest furniture maker. Later, after John led in winning an antidumping case against Chinese furniture manufacturers, He YunFeng drastically cut American exports and closed down his American plants.

Joe Dorn

Joe Dorn was the trade attorney who informed leaders of the U.S. furniture manufacturing industry that a coalition of furniture makers and furniture workers had the right to ask the Commerce Department to investigate whether foreign manufacturers were guilty of underselling, or dumping, which led to loss of jobs and closure of domestic factories. Dorn worked closely with John during and after the Commerce Department investigation.



Objects/Places

Bassett, Virginia

Bassett, Virginia, was named after the Bassett family and the large and successful furniture-making factories that were established in the town and in the nearby area. The factories employed a large number of Bassett residents who were grateful for the stability and longevity that their employment with Bassett provided them with. During the height of Bassett's success, Bassett was a mini-boom town. However, with the onset of globalization and foreign concerns that copied Bassett's lines and provided it to retailers at a much lower cost, things began to change in Bassett. Ultimately the factories closed and Bassett became a neglected and blighted southern town with one of the highest unemployment rates in the nation.

Galax, Virginia

When John decided to leave Bassett, he eventually bought a furniture manufacturing factory in Galax, Virginia. Galax was a small town whose residents were dependent on the furniture manufacturing industry for its livelihood. John did everything in his power to keep his factory operating despite the challenge that the Chinese manufacturers represented.

Taiping Handbag Factory

The Taiping Handbag Factory was the first foreign-owned factory opened up in Hong Kong. It was the start of something big that was sometimes referred to as the "Chinese invasion." By 1980, the Chinese had established four special economic zones and within a decade Chinese exports surpassed \$100 billion.

Globalization

One of the main reasons Macy decided to write, "Factory Man" was that none of the major newspapers or magazines wrote about the devastating impact that globalization had on the small town furniture workers in the south. When Chinese manufacturers began to undercut prices for the same furniture designs, retailers flocked to them, plants were closed and jobs were lost. Economists believed globalization was inevitable and that it should be allowed to run its natural course without interference.

Dumping

John Bassett was determined to fight off the "Chinese invasion" and keep his factory doors open and his work force employed. John headed a petition to the U.S. Commerce



Department to investigate Chinese furniture makers that he claimed using cut-throat practices that harmed domestic furniture makers. This practice was referred to as underselling or “dumping” and John was seeking an “antidumping” case against the Chinese manufacturers which, if successful, would result in heavy duties being levied against them.

Mount Airy

Bob Spilman, Bassett’s CEO, assigned John Bassett to run two merged plants in Mount Airy. He liked it when John wasn’t around. John Bassett ran the National Mount Airy plant and most former workers considered it a terrible place to work – low pay and bad conditions. The furniture makers in Mount Airy were craftsmen who resisted making furniture with machinery.

The Market

Each year, furniture manufacturers held a showing for retailers which was referred to as “The Market.” It gave furniture makers the opportunity to display its new lines and designs. After Chinese furniture makers invaded the American market, one Chinese manufacturer had its booth designed to mimic the Forbidden City which is located in the center of Beijing.

The World Is Flat

Tom Friedman, a famed journalist and proponent of globalization, wrote in his book “The World Is Flat,” “When you lose your job, the unemployment rate is not 5.2 percent; it’s 100 percent.” Friedman was just one of many economists and high-profile experts who advocated globalization. However, Friedman did acknowledge its downside.

The Vaughan-Bassett Free Clinic

John established the Vaughan-Bassett Free Clinic which was available to his factory workers on weekday afternoons and on Saturdays. All employees were eligible for free check-ups and routine care. John wanted to provide health care to his employees most of whom couldn’t afford health insurance.

Panca Wana

The furniture-manufacturing factory located in Panca Wana in Indonesia was a state-of-the-art factory that filled orders for the upscale U.S. furniture company Ethan Allen. The factory was considered the most modern furniture factory in the world.

Themes

Globalization

The Bassett Furniture Company was the biggest furniture manufacturer in the world and enjoyed that status for decades. Bassett established factories all over the country and was a leader in producing good quality yet affordable furniture targeted for middle America. As time marched on, entrepreneurs in China and Taiwan began to venture into furniture manufacturing and to explore the possibility of entering into the lucrative American market. Larry Moh who had launched a parquet-flooring company in Hong Kong was one of the pioneers of this effort; eventually his operation become a threat to the Southern furniture industry.

Moh was the first Asian to export furniture to Middle America. In doing so he ambushed the Southern furniture manufacturers, catching them completely off-guard and leaving them without recourse. Almost out of nowhere, there was this new and unwelcome presence in the American furniture manufacturing industry the heart and soul of which was small southern towns.

The Asian furniture was undersold and artificially drove down prices. Old time furniture makers like Bassett were forced to import cheap Asian pieces in order to stay competitive. Ultimately, this new reality caused American furniture factories to close their doors and terminate workers by the hundreds, then by the thousands. In some plants, American employees were required to teach Chinese workers how to create the wonderful finishes and veneer work, crafts and artistry that had taken workers years to hone and develop. Bottom line, American workers were forced to train their Chinese replacements.

Economists insisted that globalization should not be interfered with and be allowed to run its natural economic course. While globalization was recognized as a reality, little consideration was given to the thousands of people who lost jobs and the small towns that were devastated by the loss of its heart and soul.

Loyalty

Although John Bassett III was initially viewed as the spoiled rich kid who had no worries about his future, he turned out to be more loyal to his workers and concerned about their welfare than any other member of the Bassett family. Perhaps it was because he was elbowed out by family and office politics and felt rebuffed and isolated from them. He felt the sting of being cast aside. He had empathy for his workers and didn't want them to have the same experience.

John wanted to save his company from the devastating impact of the influx of Chinese furniture manufacturers whose cut-throat pricing was destroying the U.S. furniture-making industry. As important as saving his company for himself and his family, was



saving the livelihood of his workforce. He didn't want to have to destroy them by telling them that their career in furniture-making was over. He was aware that most of his employees knew no other kind of work and would be devastated if they lost their jobs. Many of the workers were descendants of generations of furniture workers who had worked for Bassett and other southern furniture manufacturers for decades.

John felt a loyalty to the people who had worked hard for him and his family. He didn't want to cut them loose and turn their worlds upside down. His strong dedication to his work force was one of the compelling reasons he pursued the Commerce Department case against the Chinese manufacturers. If necessary, his would be the last factory standing and his workers would not be displaced like thousands of other furniture workers had been.

Determination

Despite the unrelenting criticism that rained down on John Barrett for fighting against what he considered unfair pricing practices by Asian furniture manufacturers, he didn't have a moment of regret nor did he consider caving to his critics and giving up. John came from a long line of successful furniture makers. In fact, Bassett Furniture held the coveted position of the world's number one furniture maker for literally decades.

When Asian entrepreneurs decided to venture into furniture making with an overarching goal of entering into the lucrative American market, things began to change for U.S. domestic furniture manufacturing which was a stronghold in small towns in the south. The Chinese cut prices on copies of American furniture lines that made it impossible for Bassett and other U.S. furniture manufacturers to compete. As a result, plants were shut down and furniture workers lost their once secure and stable livelihood.

Most furniture-makers went along with the program but John Bassett III was the rare exception. He was not about to let the "Chi-Comms" take over the U.S. furniture industry by the unfair undercutting of American pricing. He would not cave to the demands of the new market and ultimately found a promising way to fight them. Joe Dorn, an accomplished trade lawyer, told the U.S. furniture makers that they could form a coalition consisting of furniture makers and furniture makers and petition the Commerce Department to investigate the Asian furniture companies for underselling, also known as "dumping."

Ironically, many of the domestic retailers were pulling for the Chinese. They liked the new lower pricing. It was money in their pockets. Economists and other experts criticized John for standing in the way of progress, disrupting the natural course of globalization that in the end would be victorious. But John ignored them all. Although he wanted his company to survive intact, his biggest concern was his workforce. His determination in fighting off the Chinese invasion came from a deep part of his heart and soul. Furniture workers had made Bassett Furniture what it was and had made John a millionaire before he could talk or walk. He owed these people who only knew furniture making. He couldn't take their livelihood from them.



Racism

There were hints of racism that surfaced during the story of Bassett Furniture and globalization. There were blatant examples during the early days of the company. The Bassett family was very good to their African-American maids and housekeepers. They were generous and looked out for their welfare. J.D. used his civic and political influence to see that an elementary school was named after his housekeeper, Mary Hunter. Maybe his generosity was borne of guilt.

There was a dark side to the relationship between the Bassett men and their black maids. One maid commented that she had to watch how she bent over when serving dinner or there would be a hand up her dress. Another maid always wore two girdles to ward off unwanted hands. There was speculation that the Bassett men had fathered some of their maids' light-skinned children. It was generally assumed that C.C. Bassett had fathered his maid's son, Clay Barbour who the family readily loaned money to whenever he was broke.

Even after the Civil Rights Law was passed, there was segregation between white and black Bassett employees. At times, the Bassetts did the right thing. When an in-house doctor refused to treat a black employee, he was fired. The Bassetts acknowledged that their black employees were a big help in their successes. J.D. even said that they "made him."

Community

A sense of community is a strong theme throughout the story of John Bassett and the Bassett Furniture Company of Bassett, Virginia. The town was named for the furniture-manufacturer because the town wouldn't have been there without Bassett. This was a pattern that rang true throughout the small town south where entire communities relied on a big factory that had enough jobs for everyone in town. It was a happy time. No one was going to get rich, but that wasn't their goal; all they wanted was the security of a job for themselves and their family and have enough to have a home and feed their kids.

Just like the infinite feeling of a summery day, the people of these lower-class small-towns felt their fortunes were forever tied to factories like Bassett. Furniture was something that everyone had to have and Bassett furniture was inexpensive compared to many other brands. How could something that solid be destroyed?! What no one gave much attention to was the stealth actions a half a world away that would one day not only threaten the idyllic lives of the small town communities but turn them upside down and toss them aside.

John Bassett III was a savvy sophisticated man who owned and operated a furniture-manufacturing plant in the South. He worked as hard as anyone on the factory floor and learned from his grandfather that kindness and generosity went a long way with a work force. When globalization began to threaten the factories, towns and workers, John

wasn't going to take it lying down. His community was with his factory workers. If they were threatened and filled with angst and worry, so was he.

Although the vast majority of furniture-manufacturing companies in the South went belly-up after the Chinese invasion took hold, John held on with all his might. He wasn't going to let the "Chi-Comms" make his furniture. More important, he wasn't going to let them or anyone else disturb his factory family and destroy his community.



Styles

Structure

“Factory Man” by Beth Macy is separated into eight main parts. Part I consists of four chapters and covers the early days of Bassett Furniture – its great successes and dominance in the U.S. furniture-making industry.

Part II covers the emergence of John Bassett III into the company business.

Part III tells John’s story after being elbowed out of Bassett furniture and his rightful position as company head.

Part IV describes the new reality when globalization began to seep into the U.S. furniture manufacturing industry in the form of Asian manufacturers who undersold their American counter parts.

Part V describes the utter destruction that the Asian interlopers were causing to domestic furniture manufacturing, the furniture worker and small towns of the south whose very existence relied on furniture-making factories.

Part VI covers John Bassett’s leadership in fighting the Asian insurgency and standing up to the demands of a market with pricing that had been artificially driven down by unfair underselling.

Part VII describes the aftermath of John’s victory over the Asian furniture makers through the Commerce Department who found the Asian furniture makers guilty of underselling or dumping and levied heavy duties on their imports.

Part VIII covers the aftermath of John’s efforts. Sadly, so much damage had been done to the U.S. furniture manufacturing industry that there was little recovery. John kept his plant afloat, however, and most importantly was able to keep his workforce employed.

Author Beth Macy is a journalist and has included extensive notes on the interviews and research she did in writing this book. There is also a graphic entitled, “A Virginia Furniture Dynasty” which is helpful in understanding the Bassett family furniture enterprise.

Perspective

“Factory Man” by Beth Macy is a non-fiction book that is written in the third person narrative by the author. Macy interviewed many of the people in her book and there are multiple direct quotes from them. The author gathered her information over several years and meticulously recorded the ups and downs of the Bassett furniture empire and



the family conflicts that were part of the story. The impact of globalization is also focused upon in this saga of a crumbling American industry.

Beth Macy has written reports and articles for national magazines and for the Roanoke Times. While writing for the Times she won more than a dozen national awards for her work including a Nieman Fellowship for Journalism at Harvard. The focus of much of her writing is on outsiders and underdogs.

Macy was compelled to write “Factory Man” because of her interest in the downtrodden and the dire impact that globalization was having on small towns in the South and its many citizens who worked in the southern furniture-making industry. She notes that there were very few references to the ordeal in the large national papers like the New York Times or Washington Post. Macy wanted to tell the story of the real suffering that small town southern furniture workers were made to endure after the “Chinese invasion” of cheaply made furniture that began an unending sequence of plant closings and job losses in the south.

Tone

“Factory Man” by Beth Macy is written in a straight-forward style that is seemingly free of emotion or bias. Macy is an award-winning journalist who had a special interest in pursuing stories about the underdog and downtrodden. Macy conducted extensive interviews with leaders of the southern furniture manufacturing industry as well as the line-workers themselves. By doing so, she was able to present a balanced story that provided both perspectives of the story. Macy provides a brief history of the Bassett furniture company, its founders and early leaders as well as its more contemporary leaders through present day.

Although Macy is open about her interest in the little guy, she provides both sides of the globalization debate. She focuses on how globalization devastated southern furniture factories which led to massive layoffs, disrupted lives and decaying towns. She also includes the opinion of economists and other experts most of whom viewed globalization as inevitable and ultimately positive for American families.

Interviewing descendants of former Bassett maids and housekeepers, Macy was able to expose the sexual abuse of black women employed as staff members that became a tradition for Bassett men. Macy doesn’t pull any punches and does her job as a journalist by reporting what she uncovers in interviews and research.



Quotes

What were all them little people doing at work today?

-- Bassett Furniture Line Worker (Part 1 paragraph Page 9)

Importance: “The worker comments on the presence of Taiwanese factory managers. The worker is stunned by their presence and that they seemed to be running things.

I was born with a silver spoon in my mouth and I had no intention of taking it out.

-- John Bassett III (Part I paragraph Page 36)

Importance: This quotation captures the pride that John had in his company and in himself.

Bassett was a town with two distinct narratives: the prevailing one, told by the Families and the local media (owned by friends of the families) and the whispered one, discussed on front porches and in the bleachers at John D. Bassett High by everyone else.

-- Narrator (Part 1 paragraph Page 59)

Importance: Although African American factory workers at Bassett made half of what white workers did, they were hired and otherwise treated fairly. What was whispered about among the townsfolk was the sexual exploitation of black maids and housekeepers by the Bassett men.

In Bassett, business was an end unto itself. The people in Bassett were obsessed, almost manic about making furniture. But in Galax, the furniture business was a means to an end. It gave you a nice life. It gave people jobs. But you didn't let it take over the whole world.

-- Pat Bassett (Part 2 paragraph Page 76)

Importance: A Bassett family member explains the difference between the impact of furniture making in Bassett, Virginia, and that in Galax.

I might end up a failure, but I'm not going to my grave being known as J.D. Bassett's grandson, or Doug Bassett's son or Bob Spilman's brother-in-law. I am not somebody else's surrogate.

-- John Bassett (Part 3 paragraph Page 155)

Importance: John Bassett resigned from Bassett after it was clear to him that he would never become the head of the company – a position that he felt was rightfully his.

You ask, what is our aim? I can answer in one word: Victory. Victory at all costs, victory in spite of all terror. Victory, however long and hard the road may be, for without victory there is no survival.

-- Winston Churchill (Part 5 paragraph Page 239)



Importance: John Bassett liked to quote this passage from Churchill's speech. It was the philosophy that he applied to keeping his own companies afloat and surviving.

I got news for you, boys! When you're the only girl left standing on an island with twelve men, you don't have to be good-looking: somebody's gonna fall in love with you.
-- John Bassett (Part 6 paragraph Page 272)

Importance: When John pursued an antidumping case against Chinese manufacturers, he used the above metaphor to convince his colleagues that if they were the only furniture company left standing, they would survive the Chinese invasion.

The duties helped some, no question, but I felt like the horse was already out of the barn by the time they arrived.
-- Rob Spilman (Part 6 paragraph Page 300)

Importance: Bassett received their share of duties from Chinese importers. Rob Spilman is expressing the reality that Bassett had been hurt so severely before the duties were levied against the importers that it may not save the company from more plant closings.

What happens is you see the sales start to trail off, and usually one day they stop ordering from you. You usually don't know exactly... who you've been replaced by.
-- Wyatt Bassett (Part 7 paragraph Page 309)

Importance: This quote captures the uncertain nature that the U.S. furniture industry found itself in after the Chinese invasion.

Most economists don't know any real people. And, please, you can quote me on that.
-- Richard Freeman (Part 7 paragraph Page 323)

Importance: Richard Freeman was a labor economist at Harvard. Most economists touted the benefits of globalization without considering the harm it was doing to American factory workers. He pointed out that these economists were speaking from their ivory towers and had no grasp on how globalization was impacting real people.

You wanna see what happens to industrial America when you don't do what you're supposed to do?' John Bassett asked. It's a sentiment he repeated... as he alternated between anger, sadness, and an uneasy understanding of the choices his relatives made; between holding his tongue and saying what he really thought.
-- John Bassett/Narrator (Part 7 paragraph Page 331)

Importance: This quote demonstrates the roller coaster of emotions that John Bassett experienced from the time his father passed him over for a leadership role in Bassett through running his own company and fighting off the Chinese invasion.



The United States became a superpower because of its embrace of all manufacturing. China has become a world power by following a similar path.

-- Richard McCormack (Part 7 paragraph Page 352)

Importance: Journalist Richard McCormack wrote this passage in “ReMaking America” in 2012 in which he expressed the concern that the U.S. was ceding its role in making high-tech products to the Chinese and therefore aided China in its quest to become a superpower.



Topics for Discussion

Topic 1

What was the level of success achieved by Bassett Superior Lines? Who ran the company when it was at the pinnacle of its success, and what was its great success partially attributed to?

Topic 2

The Bassett family was known to be kind and generous to their personal staffs. How did some of the Bassett men abuse these relationships and what rumors were there about them?

Topic 3

Even though Bassett enjoyed great success, what complaints did critics have about it especially in its early years? How did Bassett react to this criticism?

Topic 4

Why did Doug Bassett pass over his son, John, when it came time to name a new President of Bassett Industries? What were the ramifications of this decision and how did John react to it?

Topic 5

Discuss the importance of the furniture-manufacturing industry to small southern towns and what it meant to the many of its residents and families.

Topic 6

What is “dumping?” John led the antidumping case against the Chinese. What was the outcome, and why did some American companies root for John to fail?

Topic 7

What defense did the lawyers for the Chinese furniture manufacturers use at the ITC hearings? What was the basis for attorney Joe Dorn’s argument against the actions of the opposition?



Topic 8

What fundamental thing did John Bassett want to achieve in fighting the Chinese invasion? What complaints did his critics voice about his endeavors?

Topic 9

Discuss duties, Byrd money, and settlement money as they relate to the Commerce Department's decision on John's antidumping petition.

Topic 10

Why was it difficult for furniture makers who were considered craftsmen to adapt to the new ways of making furniture? Explain the furniture-making process that was known as "glit."