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The Growth of Labor Relations during World War II:  
A Comparison of Henry Kaiser and Henry Ford

by  
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During the middle of the twentieth century, the United States was a hotbed of industry. The period of war, from 1939 to 1945, was met with the combined production of items for war and for the consumer. Meeting the challenge this created were the “captains of industry,” the men leading this mechanized business, though no two business leaders were exactly alike. Two men who clearly represent the changes industry faced at this time, however, were the inventor turned business owner of the Midwest, Henry Ford, and the entrepreneur of the West, Henry Kaiser. Ford represented the old guard of industry, the men who concentrated on the product and allowed others to think about the business. Kaiser, on the other hand, represented the growing faction of business owners who concentrated on the business process more than the product, allowing his businesses to create a diverse number of products. This practical knowledge versus business acumen became most readily apparent during World War II, when the United States faced issues of both what to make and the question of who would make these products.

Henry Ford and Henry Kaiser were a large part of the labor history of the United States, from the early twentieth century when Ford began the Ford Motor Company to the middle of the twentieth century when Kaiser began his work in the ever-changing industries. The paths of the two men were very different. Ford started his company to produce a product he himself had invented, and he created a harsh and controlling environment for his employees. Kaiser established his business to make money, taking the inventions of others and turning them into a marketable product while figuring out ways to make the lives of his employees better so that they would work harder. It is important to keep this major difference in mind when critically examining the pair; Ford's roots came from his personal skill with invention, while Kaiser's own came

from a natural business acumen and a charisma that allowed him to gain the interest of investors. Despite such differences, these “masters of industry” contributed to many of the same things, from their opinions on peace to their love of aviation to their innovations in methods of production.

The issues of labor and business relations are not an unexplored topic to historians. Joel Seidman is the author of *American Labor from Defense to Reconversion*<sup>1</sup>, published in 1953, which historian Joshua Freeman, writing in 1978, considered “... the standard account of wartime labor...”<sup>2</sup> Seidman dealt with wartime issues of governmental policy and the reactions of both business and unions to these policies, from the mindset of the institutions, not the workers. He concerned himself with the rivalry between the American Federation of Labor and the Congress of Industrial Organizations, wartime strikes, and the major policies and enforcement of the National War Labor Board.

Nelson Lichtenstein built upon the base that Seidman offered, providing a history that concentrated on the worker, changing the topic from the business itself to race, gender, and class as was common among the growing postmodern mindset of historians; the questions that began to be asked turned from just what had occurred to why it had occurred and how it affected the individual. This change had much to do with the era both historians grew up in, as Lichtenstein himself readily admitted; Lichtenstein examines wartime and reconversion labor issues through governmental policies and

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<sup>1</sup> Joel Seidman. *American Labor from Defense to Reconversion* (Chicago: University of Chicago Press, 1953).

<sup>2</sup> Joshua Freeman. "Delivering the Goods." *Labor History* 19, no. 4 (Fall 1978): 570.

unions, especially in *Labor's War at Home: The CIO in World War II*.<sup>3</sup> Seidman lived in an era that first experienced the policies and unions that Ford and Kaiser had to deal with and wrote from a liberal perspective, supporting the wartime policies and stressing the need for unions and industry,<sup>4</sup> while Lichtenstein's generation grew up in a world of radical New Leftist mentalities, where it was common to protest certain industrial giants instead of stressing the need for them. Many recent sources, those written after the 1970s, followed Lichtenstein's postmodern line of thought, concentrating upon the workers as individuals instead of the larger body of the businesses. Lichtenstein himself looked at "...those who actually labored in American factories and offices..."<sup>5</sup> They concentrate on the specifics of workers themselves or delve deeper, looking specifically at women, for example, as Amy Kesselman does.

As the questions asked by the historians became more complex, so did the answers. Instead of just concentrating upon the businesses, the individuals became more important and historians felt the need to add their story to the historical record. Amy Kesselman, for example, wrote *Fleeting opportunities: women shipyard workers in Portland and Vancouver during World War II and reconversion* in 1990, to examine how women were treated in the shipyards, specifically Henry Kaiser's, at this time. As well, she examined the concern for job security when the war was over and the actualities of the situation when it occurred for these women.<sup>6</sup> This style of concentration is mimicked by other authors, such as Stuart McElderry who wrote in 2001 about the plight of the

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<sup>3</sup> Nelson Lichtenstein. *Labor's War at Home: The CIO in World War II* (Philadelphia, PA: Temple University Press, 2003).

<sup>4</sup> Freeman, 570-572.

<sup>5</sup> Lichtenstein, xxix.

<sup>6</sup> Amy V. Kesselman. *Fleeting Opportunities: Women Shipyard Workers in Portland and Vancouver during World War II and Reconversion* (Albany, NY: State University of New York Press, 1990)

African-Americans who tried to move to Portland and get a house, especially during World War II.<sup>7</sup> This concentration went away from looking at the pure business practices of business owners or governmental groups at the time to shining a light upon other topics, even if these topics did not put the businessmen or governments in the brighter light that they were once put in with Seidman's pro-New Deal Order mentalities.

To examine these periods and ideas, however, these historians used many similar primary sources and, in some cases, the same primary sources with different interpretations. Newspaper articles are one major primary source for the study of labor and business relations. Articles printed at the time provide an insight into the public opinion of the groups involved and what of the professional and personal lives of the groups that the public was made aware of. Among the many newspapers available at the time, one of the widest reaching was the *New York Times*, examined here for its coverage of both Kaiser and Ford, allowing for a more overarching sense of how the public learned about these men. On the other hand, it is also important to examine newspapers that have a closer view of the situation, such as the *Oregonian* with Henry Kaiser, given the large amount of work he put into the area where it was published. To begin an examination of the two with these primary sources in mind, however, an understanding of the background of both men and the groups and policies that surrounded them is required.

Henry Ford, born in Dearborn, Michigan, on July 30, 1863, was the child of an Irish immigrant and a Belgian-American. He grew up in a community,<sup>8</sup> quite different from the city in which he would spend much of his life. He had a fascination and skill

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<sup>7</sup> Stuart McElderry, "Building a West Coast Ghetto." *Pacific Northwest Quarterly* 92, no. 3 (Summer 2001): 137-148.

<sup>8</sup> Richard Bak. *Henry and Edsel: The Creation of the Ford Empire* (Hoboken, NJ: John Wiley & Sons, 2003), 3.

with all things mechanical, but, due to his rural background, he was unable to attend school often as his assistance was required on the family farm.<sup>9</sup> He left Dearborn at the age of sixteen, having never finished school, and moved to the city of Detroit. He worked at a number of different places, starting off with an apprenticeship at the Michigan Car Company before working at a machine shop and as a watch repairman. At the age of nineteen Ford returned to Dearborn to demonstrate and service a portable steam engine for the Westinghouse Electric Corporation before he went back to Detroit to study at a business college, learning bookkeeping, mechanical drawing, and general business practices.<sup>10</sup> His early career was filled with failures that included two unsuccessful automobile businesses, until he created the Ford Motor Company on June 16, 1903.<sup>11</sup> His skill in the creation of the automobile and labor management innovations, however, and not his work in machine shops or his bookkeeping abilities, is what Henry Ford is known for. Ford became such an influential figure that, when the government needed ten men to handle labor disagreements that the NLRB had to deal with, Ford was at the top of the list.<sup>12</sup>

When he began the Ford Motor Company his purpose was to build practical machines. When the First World War began in 1914, Ford turned his attention from his company to go on a pacifist crusade, which included a trip to Europe on what was termed the “peace ship” and supporting a worldwide campaign for universal peace with a million

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<sup>9</sup> Bak, 5-6.

<sup>10</sup> Bak, 10-13.

<sup>11</sup> David L Lewis. *The Public Image of Henry Ford: An American Folk Hero and His Company* (Detroit, MI: Wayne State University Press, 1976), 11.

<sup>12</sup> “New Labor Plan On,” *Stars and Stripes*, August 2, 1918.

dollar fund.<sup>13</sup> This did not stop Ford from doing his patriotic duty in 1917, when the United States joined the war, to build tanks and Eagle submarine chasers, selling second thousand of them throughout the British Isles and another twenty-seven thousand in the United States,<sup>14</sup> though he refused to profit from anything he made for the war. This seemed like a contradiction to some, who thought Ford was using a position of peace to provide advertising for his own company and product.<sup>15</sup> With the Armistice that brought an official end to the war in November 1918, Ford immediately put a stop to all wartime construction and, within three weeks, he switched his factories back to the construction of Model Ts.<sup>16</sup> This business, with its famous Model Ts, has survived to this day, firmly implanting itself into the consciousness of the western world.

While Ford was part of the old guard of industry, Henry Kaiser was clearly part of the new industrialists. He was born on May 9, 1882, in upstate New York,<sup>17</sup> the same year that Ford returned to Dearborn with the assistance of Westinghouse. His family moved to Whitesboro, fifty miles west of where he was born, in 1889 and Kaiser spend hours of his childhood watching the barges drifting along the Erie Canal.<sup>18</sup> Fourteen years later, at the age of twenty-four, Kaiser moved to Spokane, Washington, and worked to earn at least \$125 per month and build a home before he would be allowed to marry Bess Fosburgh, by orders of her father, Edgar Charles Fosburgh.<sup>19</sup> It was this order that would lead Kaiser down the path that would build his influence. Unlike Ford who, save

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<sup>13</sup> Lewis, 78.

<sup>14</sup> Bak, 93.

<sup>15</sup> Lewis, 79.

<sup>16</sup> Bak, 93, 96.

<sup>17</sup> Mark S Foster. *Henry Kaiser: Builder in the Modern American West* (Austin: University of Texas Press, 1989), 6.

<sup>18</sup> Foster, Henry Kaiser, 9.

<sup>19</sup> Foster, Henry Kaiser, 20-21.

for during wartime, generally stuck with automobile construction,<sup>20</sup> Kaiser had his hands in many different businesses, from shipyards and steel to homes and domestic appliances.<sup>21</sup> He began with construction, working on projects such as the Boulder and Bonneville dams,<sup>22</sup> but quickly turned to shipbuilding at the beginning of the Second World War, even though he had never built a ship before the 1940s.<sup>23</sup> His immense success, and necessity, would eventually carry him into the manufacturing of even more projects. Though he possessed only a grade-school education, he was a thinker, always planning for the future; he was able to anticipate obvious needs and fill them, becoming a “leader in America’s post-war economic growth and suburban migration.”<sup>24</sup>

The Second World War was a strongly influential period of time for industry and was a vital time for growth for the labor movement. There were a number of key players that affected the policies of both the government and businesses that made this time so significant, all of which were required to allow it to grow as it did. Many wartime policies emerged from the politics of labor relations during the New Deal of the 1930s, and grew out of the relationship of President Roosevelt with the Congress of Industrial Organization (CIO). The 1935 National Labor Relations Act, or the Wagner Act “... insured the right of all employees to self-organize and to engage in collective bargaining and other activities for mutual aid and protection.”<sup>25</sup> The National Labor Relations Board (NLRB) was established to administer the Wagner Act and to determine how a group of

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<sup>20</sup> Bak, 93.

<sup>21</sup> Mark S Foster. "Prosperity's Prophet: Henry J. Kaiser and the Consumer/Suburban Culture: 1930-1950." *Western Historical Quarterly* 17, no. 2 (Summer 1986): 166.

<sup>22</sup> Hardy Green. *The Company Town: The Industrial Edens and Satanic Mills that Shaped the American Economy* (New York, NY: Basic Books. 2010), 165.

<sup>23</sup> Foster, "Prosperity's Prophet," 167.

<sup>24</sup> Foster, "Prosperity's Prophet," 166.

<sup>25</sup> Lewis, 247-48.

workers could bargain. Members of the NLRB favored the CIO over its rival, the American Federation of Labor (AFL).<sup>26</sup> This rivalry between labor unions was caused by the CIO cutting across the industrial lines of jurisdiction that the AFL claimed.<sup>27</sup> In the nineteenth century, unions had a limited perspective,<sup>28</sup> but with the growth of unskilled and semi-skilled workers instead of a necessity for skilled workers in industrial projects, the unions began to fight for the rights of the new working class. The AFL, which was founded in 1886, concentrated upon craft unions and those with skill and the issues they had with the CIO were from the very beginning when the newer union was proposed in 1938, fifty years after the AFL. When the CIO was founded, it attempted to get the AFL to concentrate more of its power upon industrial workers and tried to create a group consciousness for workers by providing them with the leadership with which to organize.<sup>29</sup>

With this background, the understanding of the paths that lead both men to the businesses that would make them influential in the Second World War, it is possible to examine how they fit in with the evolution of labor relations in this period closer. Henry Kaiser and Henry Ford made some similar choices during the World War II, but their personal policies that affected their businesses were very different. Ford put himself out as a man of peace, who concentrated upon trying to end war and greed, though there are many arguments that could be made for the personal gain this would provide him. Kaiser concentrated upon profits and what would be the next opportunity, which resulted,

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<sup>26</sup> Lichtenstein, 33.

<sup>27</sup> Patrick Renshaw. "Organized Labour and the United States War Economy, 1939-1945." *Journal of Contemporary History* 21, no. 1 (Jan, 1986): 3.

<sup>28</sup> David Montgomery. *The Fall of the House of Labor: The Workplace, the State, and American Labor Activism, 1865-1925* (Cambridge, UK: Cambridge University Press, 1989), 4.

<sup>29</sup> Lichtenstien, 9-15.

whether intentionally or not, in humanitarian policies towards his workers. All of these issues can be examined when looking at the issues of their products, their employees, and unions.

It is important to take a closer look at the key difference between Ford and Kaiser, the inventor versus the entrepreneur. Ford, as described earlier, was a mechanical child prodigy and he was good at being a leader; one of his friends, who was assisting him in building one of his first automobiles, said that Ford spent more time directing than building.<sup>30</sup> This is not to say that Ford's mechanical skills were not his own; he designed his first automobile after years of apprenticeships and other jobs. Ford made an effort to learn business, though, more often than not in his successful years he relied on the skills of others to keep up that side of his business. Ford's longest business associate, apart from his son Edsel, was James Couzens. Ford's relationship with Couzens was a good representation of an old guard mentality as Ford took Couzens' ideas, becoming incredibly famous for some, but likely felt his own position as inventor should garner him more control over the company. Couzens quit the Ford Motor Company in 1915, which would grant Ford the eventual power to do what he wished during World War II, to keep from working on the weapons of war he was so against, but that made a profit. According to Richard Bak, "Couzens wore several hats at once: purchasing agent, advertising manager, sales manager, and office manager, as well as serving as secretary and treasurer. Henry would have had a hard time managing a sandwich shop by himself, so from the very beginning he happily let Couzens assume all the nitty-gritty details of sales,

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<sup>30</sup> Bak, 28.

finance, and personal... It was he, not Ford, who was primarily responsible for such humanitarian initiatives as the Five-Dollar Day..."<sup>31</sup>

The introduction of the Five-Dollar Day helped to put Henry Ford on the map in the minds of the average American. Ford made a great deal of money but he also introduced a profit-sharing plan that increased the pay of his employees from the minimum wage of \$2.34 a day to \$5 a day for men 22 years old and older. Included in this rather impressive raise was a lowering of the hours a man had to work, from nine to eight a day.<sup>32</sup> This left an important impression upon the population of the United States, making Ford a nationally known figure.<sup>33</sup> The Five-Dollar Day allowed people to better the lives of themselves and their families: "He receives five dollars per day; his three thousand dollar six-room cottage is one-third paid for, his three children are in school, and two are taking music lessons; his garden is the pride of the block; he has learned to read and write and his wife has a washing machine and wringer, and electric lights in the house."<sup>34</sup> This quote comes from another comparison made between Ford and a businessowner, Frederick Winslow Taylor. Taylor had managed to figure out how the man being discussed, Schmidt, could cut out wasted motions and do more in a day than before, even giving him a bump in salary. This caused Schmidt to become overworked and he eventually drifted off to Detroit where he did the same thing over and over again, a single thing that was not nearly as intensive as loading big iron, and gave him more than double what he was originally earning. Women workers earned just \$3 a day, but this

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<sup>31</sup> Bak, 88.

<sup>32</sup> Daniel M. G. Raff. "Wage Determination Theory and the Five-Dollar Day at Ford." *Journal of Economic History* 78, no. 2 (June 1988): 387.

<sup>33</sup> Bak, 83.

<sup>34</sup> David Roediger, "Americanism and Fordism--American Style." *Labor History* 29, no. 2 (1988): 251.

was still above the minimum wage. Ford would have been able to make use of stories such as these to bring his public image up and convince more people to begin to work for him. When you compare one man overworking himself for a tiny plot of land versus being able to easily pay off a six-room cottage, what chance does the former have?

Was this all truly for humanitarian purposes, however? The Ford Motor Company, in 1913, had a turnover rate of 370 percent, which cost Ford in both recruitment and training.<sup>35</sup> This fell to 16 percent in 1915 after the Five-Dollar Day appeared, providing profits to Ford because of a more stable workforce. The wages of the Five-Dollar Day also had the potential to create an employee who was less inclined to shirk his duties or go on strike, which especially became an issue after the Wagner Act was passed in 1935 and upheld by the U.S. Supreme Court in 1937. Henry Ford even had a Service Department that attempted to stave off union organization as well as spy upon its workers.<sup>36</sup> This department sent men out to examine the living conditions of employees and offer advice and assistance on how to make use of their paycheck, helping with loans and housing on the one hand while making records of employees who smoked, drank alcohol, or purchased a car from another company, any of which could get them fired.<sup>37</sup> As the effects of the Five-Dollar Days began to disappear during the Second World War, both General Motors and Chrysler offered higher wages,<sup>38</sup> and the business policies of Henry Ford began to become clearer as he tried to control the lives of his workers without offering them the incentives he once did.

This came to a head when the NLRB filed a complaint against the Ford Motor Company for violating the unfair labor practices as defined by the Wagner Act.<sup>39</sup> When the National Labor Relations Board subpoenaed Ford and his son to testify at a hearing, sought by the United

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<sup>35</sup> Raff, 389-390.

<sup>36</sup> Lewis, 249.

<sup>37</sup> Green, 148.

<sup>38</sup> Lewis, 248.

<sup>39</sup> Lewis, 250.

Automobile Workers and the Congress of Industrial Organizations to determine whether a union election would be held at the River Rouge and Lincoln plants in Michigan, Ford's council described the hearing as a conspiracy between the Communist Party and unions to obtain control of the company.<sup>40</sup> This showcased the negative Ford Motor Company line, which at this point was Ford himself, about unions. And it illustrates Ford's attempt to justify company actions against the unions. Through these actions, however, Ford's attempts come across as over-reaching. He seemed more like a man who had always been trying to gain full control over his company to the point that he became paranoid of all who risked taking it from him towards the end. Almost sixty percent of the American population, however, reportedly believed in May 1937, that the Ford Motor Company treated its labor force better than any other similar company.<sup>41</sup>

In the 1930s, Henry Ford had factories in California, New Jersey, Chicago, Louisville, and Kansas City, along with his factories in the Detroit area, as well as factories in eight other countries. These did not include the nineteen "village industries" that Ford had within sixty miles of the Ford headquarters in Dearborn, Michigan. These villages were staffed by part-time farmers and made small car parts like gauges and starter switches. Ford was steadfastly against company towns, and argued that these villages were not company towns, saying that if people wanted to get things done, they could do it themselves. This resulted in many employees having to travel long distances, sometimes an hour or more, to get to work and home again. He spent no time building housing, establishing company stores or trying to apply any sort of political pressure over

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<sup>40</sup> "Henry and Edsel Ford Are Called." *New York Times*, March 25, 1941.

<sup>41</sup> Lewis, 248-51.

the villages as a whole.<sup>42</sup> Ford did, however, hire a wide variety of employees, some that other companies would not: Americans who were recent immigrants and others who belonged to diverse racial and ethnic groups (including half of all African American working in the automobile industry), former prisoners who were on parole,<sup>43</sup> and thousands of deaf-mutes, epileptics, and amputees.<sup>44</sup> Women also found employment at Ford Motor Company. However, Ford expected women to quit after they got married and, whenever he could, Ford would replace them with a male.<sup>45</sup>

Unlike Henry Ford, Henry Kaiser, was an entrepreneur who relied on other people to provide the brainpower to design his projects while he found the funds to create them. He funded a number of projects, starting with the construction of bridges and dams before moving onto shipyards. He eventually owned seven shipyards on the West Coast and had interests in seven others.<sup>46</sup> Kaiser's more personal work involved infrastructure, including having a hand in laying thousands of miles of paving and pipeline, and proposing a reliance on state and federal funds, though he refused any governmental aid for any project he worked on himself.<sup>47</sup> With regards to his treatment of his employees, however, one must look at what he had set up near his factories. He hired counselors to help employees with orientation into the new area and company, with any family issues they had and with their finances. He even had special counselors that he offered to women, African Americans, Chinese and Native Americans. Kaiser insisted on fair treatment for all, though managers still found ways to segregate the employees. One of

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<sup>42</sup> Lewis, 148-49.

<sup>43</sup> Roediger, 250.

<sup>44</sup> Foster, "Prosperity's Prophet," 120-121.

<sup>45</sup> Roediger, 251.

<sup>46</sup> Kesselman, 13.

<sup>47</sup> Foster, "Prosperity's Prophet," 165, 171-72.

the most progressive plans that Kaiser put into place for his employees involved their health care. For eighty cents a week, employees were able to get private medical coverage for both themselves and their families. Kaiser even set up medical stations to treat injuries on site and sent those in critical condition to the Kaiser Hospital in Oakland.<sup>48</sup> Kaiser even created the Kaiser Child Service Centers, which were housed in buildings specifically designed as a service for and were open twenty-four hours a day, to care for the children of his female employees in an environment that was always evolving to meet their needs.<sup>49</sup>

Kaiser's shipyards had their share of issues, however. Women in official leadership positions, for instance, were exceedingly rare, though there were cases of women performing the work of a foreman without the title or appropriate pay, but the women who managed to find skilled work in the Kaiser shipyards were satisfied with their jobs. These women had to deal with frequent popularity and beauty contests and women who were pretty enough had their pictures put up in a gallery of "pin-up" girls. At least they had the chance to find skilled jobs, unlike the black workers at the time. Kaiser management said that 70 percent of their black workers were journeymen, while, in 1943, it was estimated by a researcher that 80 percent of the black workers were helpers or laborers.<sup>50</sup> Though Kaiser would provide services for his women workers, neither he nor the smaller shipyards made any work scheduling changes to accommodate a woman's dual responsibilities of work and caring for the home. Even the committees on day care and governmental agencies attempted to convince the mothers of small children not to

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<sup>48</sup> Green, 170-172.

<sup>49</sup> Kesselman, 67-69.

<sup>50</sup> Kesselman, 38-53.

work, rather than encourage them to make use of day care centers that had been forced into being. Without access to such things, the absentee rate of women with children rose to an average of 12 percent at Swan Island for women in 1943 when the national average was 6.5. The child care centers eventually provided were a last ditch effort to try and salvage the women workers that the shipyards had no choice but to need during World War II.<sup>51</sup>

Henry Kaiser, in the 1940s, did not make a move without a union contract. He may not have been a friend to unions early in his career, but with the backing of the unions Kaiser got more than he lost. He treated his employees better than the unions required, but also got the chance to stabilize shipyard employment, designed to stop employees from shifting from one shipyard to another in large numbers, and encouraged unions to take responsibility for recruiting new workers.<sup>52</sup> Kaiser's actions towards the unions showed a man who was not worried about them in any way--a more modern employer who took every opportunity to make money and improve his chances for doing so. By befriending unions, he acquired the assistance of a group whose sole purpose was to gain more members and he had a dire need for the workers that unions could deliver. This amounted to a free recruiting process, which means that Kaiser would spend less for recruiters to do the same thing.

Kaiser did not have the same luxury with women workers, given the labor shortage he was suffering at the shipyards during the war. He sent recruiters around the country to try and bring more workers to his shipyards in the West. For instance, he sent

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<sup>51</sup> Kesselman, 68-71.

<sup>52</sup> "Kaiser, Union United Efforts" *Oregonian*, October 15, 1942: 14.

twenty-five recruiters to scour the mid-west and southwestern states to find electricians, sheet metal workers, and assistants for both, as well as welder trainees and chippers.<sup>53</sup> Thus, he did hire recruiters to go out and find employees, though it is important to note that the recruiters he sent out were for very specific skill-sets instead of the general skills, or none at all, that he required of most of his employees. It is not too hard to consider that the assistance of the unions, as mentioned previously, allowed him to concentrate his recruitment efforts on the higher skilled employees that he required for other things.

He was forced, however, to deal with a housing shortage as the population of the areas where he located operations grew exponentially.<sup>54</sup> This issue began during his construction of the Hoover Dam, and Boulder City, which surrounded it: “Unlike some entrepreneurs who set up company towns primarily as an effort to exert the maximum possible control over workers,” Mark Foster notes, Kaiser and his partners “really had little choice in the matter. Since the location was extremely isolated, they had to build the town from scratch. In addition to housing, they arranged for all required utilities, public safety, sanitation, emergency medical care, and other basic services.”<sup>55</sup>

In 1939, when the United States Maritime Commission suggested that Richmond, California, was a natural site for the building of a shipyard, Kaiser took up the challenge and within six months had made a workable shipyard, with the first of over seven hundred ships leaving the yard on April 14, 1941.<sup>56</sup> Recruiters covered the country with promises of learning a trade, high wages, sunshine, affordable homes and employment during, and perhaps even after, the war. These promises were far from true, however, and

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<sup>53</sup> “Kaiser Unit Starts Hunt for Recruits.” *Oregonian*, March 25, 1944: 1.

<sup>54</sup> Kesselman, 14-15.

<sup>55</sup> Foster, *Henry Kaiser*, 176.

<sup>56</sup> Foster, *Henry Kaiser*, 71.

Kaiser and the area had to deal with a four hundred percent jump in population in four years. As described previously, most of Kaiser's work required no skill, which meant that employees did not learn any skills while they were working for Kaiser. Finding a place to stay was next to impossible; spare rooms were taken up almost immediately, even as the government urged citizens with empty rooms to share their homes with the workers. This resulted in more than seventy trailer camps sprouting up and families being forced to sleep in tents, boats, cars, chicken shacks and even parks. Between 1942 and 1943, Kaiser and the Maritime Commission worked together to build thirty thousand housing units for people to live in. The restaurants and movie houses began running twenty-four hours and seven days a week to entertain the workers who were getting off of work at all hours, but this did not prevent escalating rates of prostitution, gambling and juvenile delinquency.<sup>57</sup> Even the promised high wages were not all that they seemed, even if one could get between one and three dollars an hour working for Kaiser's shipyards. Prices for everything were high due to wartime inflation, so, between taxes, rent, food, war bonds, and other essential expenses, the average employee who earned sixty-one dollars per week was left with six dollars for savings and other expenses.<sup>58</sup>

North of Richmond, in 1943, Kaiser established Vanport City, in response to the need for housing for workers from the shipyards in Portland, Oregon. Unlike the California company town of Richmond, Vanport City was able to better care for the Kaiser employees who lived there. Portland's pre-war population of 305,000 increased by only fifty thousand by 1944.<sup>59</sup> Though it was unappealing, crowded, rowdy, and subject

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<sup>57</sup> Green, 165-170.

<sup>58</sup> Lewis, 73.

<sup>59</sup> Lewis, 74.

to flooding, Vanport City was better than the cars, tents and bridges that those in Richmond had to live in. It also boasted standard services one would find in a normal community; by the spring of 1943, a 750-seat movie theater, gymnasiums, libraries, club houses, schools, a 250-bed hospital, a police and fire station, a post office and two shopping centers were built or in the planning stages.<sup>60</sup> This is not to say that the area was inviting for all commers, however, as many African American residents felt the sting of segregation in Portland, where ghettos grew due to a policy of not selling property to nonwhites in white neighborhoods for fear that it would bring down the property values.<sup>61</sup>

The final amenity that Kaiser built that set him apart from other industrialists of his time were the nurseries and day-care centers.<sup>62</sup> He believed, as he stated in October of 1943, that factories should be equipped with all of the amenities that one needs to survive, save, of course, their personal home.<sup>63</sup> In 1945, however, shipbuilding activities all but ceased, Kaiser couldn't re-purpose the shipyards as he re-purposed his factories (such as when he turned the Fleetwings Aviation factory into a home-appliance manufacturing center).<sup>64</sup> Shipyard employees found themselves out of work and without the health-care and child-care facilities that Kaiser previously supported.<sup>65</sup> There is some disagreement about the responses of women to the reconversion process, one side arguing that few women made "a public show of their displeasure", while the other side has discovered that harrassment and intimidation may be the cause for such a lacking.

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<sup>60</sup> Lewis, 76.

<sup>61</sup> McElderry, 137-148.

<sup>62</sup> Foster, "Prosperity's Prophet", 176.

<sup>63</sup> Kesselman, 74-77.

<sup>64</sup> Foster, Henry Kaiser, 185.

<sup>65</sup> Green, 172.

Women were the first to be laid off at this time, to be replaced by men if at all, and there was a certain unwillingness of women to take the traditional jobs that they once had over the new jobs that they were used to, especially since the latter had paid far more than the former. African American workers found their own issues, with discrimination from both employers and unions becoming even more widespread.<sup>66</sup>

When these two men were most active, industry was booming. Thus, to keep ahead of the competition, one had to figure out how to increase production. Henry Ford was associated with the assembly line variation of construction, which allowed him to increase production and lower costs by replacing skilled craftsmen with unskilled workers.<sup>67</sup> Labor organizer Kate Richards O'Hare described this most aptly when she wrote about a man who "... drifted out to Detroit and today is working eight hours per day screwing a certain nut on a certain bolt in each automobile engine that passes him on the endless chain in the Ford Motor plant."<sup>68</sup> Due to this process Ford was able, by 1921, to build two-thirds of the industry's automobiles.<sup>69</sup> This made it easy for Ford to switch his factories from wartime construction and back.

Though Kaiser built larger products than a car, he was able to streamline production in his shipyards as well, breaking down jobs into manageable parts, requiring only semi skilled or non-skilled labor.<sup>70</sup> Kaiser grew skilled enough at commanding this process that, as the *New York Times* reported, when the Brewster Aeronautical Corporation needed new leadership, the undersecretary of the Navy, James V. Forrestal,

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<sup>66</sup> Kesselman, 93-100.

<sup>67</sup> Kesselman, 14.

<sup>68</sup> Roediger, 246.

<sup>69</sup> Bak, 62.

<sup>70</sup> Green, 167-168.

was certain Kaiser could change the output from eight hundred planes complete in three years to fifteen hundred to eighteen hundred planes in a single year.<sup>71</sup> This clearly showed the impressive reputation that Kaiser had acquired over the years of his work during the war, if the undersecretary of the Navy put so much faith in Kaiser's ability to change the business practices of something he was never involved in to such a degree as to get those numbers. This is evidenced by a newspaper article that many Americans would have seen, instead of some minor newspaper that might have only been seen in a single city or state, as the *New York Times*, even during this period, had a large circulation in the nation. Through these processes, both men were able to increase their influence within their respective spheres of industry.

Though both men were primarily involved in other businesses, they both shared an interest in the field of aviation. Ford and his son, Edsel, recognized the construction of airplanes as a "fledgling industry ripe with commercial possibilities."<sup>72</sup> With the purchase of Stout Metal Airplane company in 1925 and the construction of the Ford Airport, which would be one of the busiest airfields in the world for years,<sup>73</sup> Ford attempted to make Detroit the center of aviation just as it was the center of the automobile industry in the United States. Much to the displeasure of aircraft manufacturers, in 1940, Ford said that, with the assistance of men like Charles Lindbergh, Ford Motor Company could build a thousand planes a day. Starting in 1940, the Ford Motor Company opened up the Willow Run bomber plant, which was the first attempt to produce aircraft on the assembly line for which Ford was famous. It was the largest factory in the world at the time and was

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<sup>71</sup> "Forrestal Traces Brewster Trouble." *New York Times*, October 14, 1943.

<sup>72</sup> Bak, 172.

<sup>73</sup> Bak, 174.

highly publicized, even if major issues began to pop up, such as that only the main building and the flying field were completed in early 1942. Finally, on September 10, 1942, the factory produced its first B-24 Bomber.<sup>74</sup> So, instead of mass-producing planes, the Ford Motor Company agreed to produce “9,000 Rolls-Royce aircraft engines, 6,000 for the British government, 3,000 for the American government...” Due to Ford’s insistence upon only producing war materials for the United States, however, Henry Ford almost immediately canceled this contract.<sup>75</sup> Ford and his son even attempted to build an affordable one-person aircraft that “... might revolutionize travel in much the same way the Model T had...”<sup>76</sup> though this would also prove unsuccessful for the Ford Motor Company.

Henry Kaiser was involved in three major aviation projects. The first was the purchase of a controlling interest in Fleetwings Aviation. The second, mentioned previously, was Kaiser’s involvement in the Brewster Aeronautical Corporation, which would not be as immediately successful as Forrestal had predicted; production was slow, with only fourteen planes built in October 1943. After a congressional investigation, however, Brewster constructed one hundred and twenty-three planes in April 1944, only for Kaiser to willingly turn the company over to Navy officials a month later.<sup>77</sup> Kaiser’s last major aviation project was with Howard R. Hughes, Jr., to construct flying boats, the biggest planes ever made at the time.<sup>78</sup>

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<sup>74</sup> Lewis, 350-52.

<sup>75</sup> Lewis, 270-72.

<sup>76</sup> Bak, 177.

<sup>77</sup> Foster, Henry Kaiser, 185-186.

<sup>78</sup> “Kaiser Builds Flying Boats.” *Oregonian*, May 15, 1943: 8.

This record shows that Kaiser had his hands in many different projects, which was something he could do far easier than Ford. He assisted others who had the technical knowledge to create and was able to make a successful career out of making businesses better, though he did not always have good luck with some projects. After more than a year and almost ten million dollars, not even a single plane had been constructed.<sup>79</sup>

Kaiser's personal endeavors proved as successful as his partnership with Hughes, though his curiosity never appeared to die. In 1944, he made a proposal for a national network of airport terminals, spaced between twenty-five and fifty miles apart. This would result in somewhere between three thousand and six thousand terminals dotting the nation, ranging from small landing strips, which would provide the most basic needs for an airplane, to terminals not unlike major airports today, providing personal services such as cafeterias, hangars, shops and car rental desks.<sup>80</sup> Aviation was the last clear similarity the two industrialists shared, their ideas about things such as peace similar but their methods vastly different.

Henry Ford saw peace as a necessity and viewed greed as the cause of wars and violence. During the First World War he went on a crusade to try and stop the war, through efforts such as going overseas himself, but his lack of success did not change his mind when the Second World War came around. During the World's Fair in 1939, he touted the idea that the will to work had vastly more importance than a motive for profit, that the former allowed an employee or employer to work more efficiently and successfully than someone only concentrating on profit. He gave the example of all of the

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<sup>79</sup> Foster, Henry Kaiser, 184.

<sup>80</sup> Foster, "Prosperity's Prophet," 171.

exhibits around him, which he said showed the national character better than any war; the fact that nations were more willing to present their peaceful, and less profitable, items than the bombs, poison gas and samples of concentration camps.<sup>81</sup> Ford's opinion did not stem from wishing the Jewish population did not have to undergo such things, however, as his anti-semitism was not an unknown topic, even at the time. He wrote various articles in the *Dearborn Independent* about such a topic in the 1920s, published together as *The International Jew: The World's Foremost Problem*.<sup>82</sup>

These ideas would continue throughout the war, especially when Henry Ford refused to build Rolls Royce aircraft engines for the British government and would culminate in his ideas in 1944. According to Ford, greed was the cause for both war and depressions and the only way in which the world could keep this from happening would be to come together completely. He described the need for a universal currency for a universal economy with a universal market, pushing the suggestion that anything that hinders industry, such as dealing with all the different markets that the Ford Motor Company dealt with by this point, was harmful to the American ideal. In pushing this thought, Ford would also try and bring forth the proposal that, to make sure there was not another depression after this war, all factories for war production should figure out how to convert for peacetime production.<sup>83</sup>

Kaiser made the same call of industries in 1942 that Henry Ford made in 1944, that industrialists must announce at once what they would provide the United States with once the war was over. Kaiser proposed nine million housing units, an expansive

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<sup>81</sup> "Ford Sees Success in a Will to Work." *New York Times*, June 17, 1939.

<sup>82</sup> Henry Ford, *The International Jew*. (Minneapolis: Filiquarian Publishing, LLC, 2007).

<sup>83</sup> "Henry Ford Urges World Federation." *New York Times*, May 28, 1944.

highway system, health care for all, and work on automobiles, requiring the industrialists to show Americans the way to a decent standard of living.<sup>84</sup> He proposed publicly funded jobs, such as at airports, parking stations, and highways, to keep the unemployment numbers to a minimum while businesses like his own and that of Ford made the change back to peacetime operations.<sup>85</sup> Kaiser did not just call for others to start considering what they would do after the war, but was always thinking about it himself. He had interests in, due to worry about the post war unemployment levels and the potential for profits in these areas, cement, steel, gypsum, aluminum, automobiles, homes, and domestic appliances, among a number of others.<sup>86</sup> One of his big projects was to look into prefabricated homes, three room, steel frame houses that cost as little as fifteen hundred dollars and he thought that many of the projects he proposed, from the homes to health care, would be better performed by private businesses; Kaiser had faith that private enterprise could make his dreams into reality.<sup>87</sup>

Kaiser and Ford were two very different men in some ways and two very similar men in others. The important thing to note in this collection of sources is their business practices, however. Ford was a man who felt a personal attachment to the product, a not uncommon feeling among the old guard who concentrated upon a single product type. He wanted sole control over the Ford Motor Company so that he could produce what he wished, or not produce what he did not wish, almost to the point of paranoia. This was

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<sup>84</sup> "Kaiser asks Post-War Industrial Plans Now-- Pledged by War Bonds." *Oregonian*, December 5, 1942: 1-3.

<sup>85</sup> Foster, "Prosperity's Prophet," 170.

<sup>86</sup> Foster, "Prosperity's Prophet," 165-166.

<sup>87</sup> Foster, Henry Kaiser, 131-32.

clearest when looking at the types of products that the company made during World War I, when Courzens was still involved with the company versus what Ford was willing to have his company construct during the Second World War. This is also obvious when examining the arguments of those who represented him with regards to the unions that would have no small amount of control over the employees that he himself wished control over, the *New York Times* article making Ford's opinion on the topic clear, utilizing words that struck a cord with the American population like Communist. Even his attempts at causing a sort of peace for the world could have created a situation, had they been successful, where he could construct just his automobiles and his plans of personal aircrafts and have people able to afford and utilize them. His World Federation would just serve to make it easier to sell his product overseas, if all policies and currency the world over were the same. His encouragement in a "success in a will to work", as well, could just be seen as a way for Ford to try and tone down the steadily more extreme policies that he had been implimenting over the years. Henry Ford was not a selfless man, always fighting for the best thing for the world, but rather looking out for his own interests.

Henry Kaiser was no more selfless than Kaiser, though his entrepreneurial senses and the lack of a personal attachment to anything but the improvement of the business in general, most certainly not to the product itself, created a far different business policy. He made use of anything that came his way, be it willing investors, new products, old companies that needed help or even the unions, utilizing them for recruitment efforts so that he did not have to think as much about them. He treated his employees not as something he had to control, but as people who had needs that, if met, would work harder

for him and make his business more profitable. The services he provided to meet these ends were almost revolutionary in nature, from the healthcare services to the daycare centers to the cities he built to house his employees and keep them close to the factories for both living and entertainment. He gained an exceptional reputation for efficiency, as witnessed through all of the newspaper articles collected here about him. He was able to work with the unions to make recruitment more efficient and his own work on production convinced Forrestal that Kaiser was the man for the job when they needed help with the Brewster Aeronautical Company, despite situations such as his business arrangements with Hughes in their attempt to build flying boats turning out unsuccessfully. He was able to market himself and his businesses well enough that he was able to perform on the same level as a member of the old guard like Henry Ford as both men tried to, through similar articles, push through what it was necessary to do after the war. Even that showcased their differences, though, with Kaiser speaking to other industrialists and calling for action in that fashion<sup>88</sup> versus Ford's attempts to bring together a World Federation, attempting to speak on an international stage.<sup>89</sup>

It was during this period of the Second World War that the actions of these two men met upon the public stage. One grew to be a "captain of industry" in a time where the product was what one built a company around. The other grew in the new senses of a business, where the policies and actions of the business owner held more weight than the product itself, as long as there was someone willing to pay for the product. Henry Ford

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<sup>88</sup> "Kaiser asks Post-War Industrial Plans Now-- Pledged by War Bonds." Oregonian, December 5, 1942: 1-3.

<sup>89</sup> "Henry Ford Urges World Federation." New York Times, May 28, 1944.

concentrated on his product and held an almost paranoid belief that others were trying to take it from him, doing everything he could to have complete control over the company and the businesses. Though the policies the Ford Motor Company had started out good, they changed by the time of the Second World War and Ford only had tales of the past to work with to try and keep the public opinion of himself and his company up. Henry Kaiser, on the other hand, grew his businesses in the trying time of war. Though his ideas were revolutionary at the time, they were also reactionary to the times and Kaiser's attempts to get the most efficient work out of his workforce despite less than appealing situations. Both men took charge of their companies in different ways through somewhat similar means at times. These two represented these concepts well in this period, the ideas of practical knowledge to run a company versus a necessary business acumen to do the same obvious as one began to grow weaker as the other grew stronger, as both faced major issues of what to make and who will make them.

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