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BOOKSHELF

Book Review: 'Factory Man' by Beth Macy

It's not easy to copyright a furniture design—and somebody will always come along and make it for less

By MARC LEVINSON

July 18, 2014 5:17 p.m. ET

A few months ago, my wife and I disposed of the contents of our longtime home. They included a mahogany china cabinet made in the 1930s. No one wanted to buy our lovely piece, with its elaborate scrollwork, hidden drawers and glass-fronted door. That sort of furniture, we were told, is out of fashion. I kept thinking about our worthless antique as I read Beth Macy's "Factory Man," a well-crafted and epic tale tracing the rise of a Virginia furniture-making empire through the 20th century and the industry's collapse in the 21st. "Factory Man" raises plenty of uncomfortable questions about the fate of immobile workers in the age of globalization. But the underlying story has less to do with foreign competition than with the fortunes of people, companies and communities whose product, like our china cabinet, has been devalued.

Factory Man

By Beth Macy

Little, Brown, 451 pages, \$28



Ryan Inzana

"Factory Man" revolves around Bassett Furniture Industries, once a household name in the furniture business. The company was founded in 1902 by John D. Bassett, the son of a family that raised tobacco on a colonial land grant west of Danville, Va. The family's prosperity vanished after the Civil War, and young Bassett traded tobacco and ran a grocery store before opening a mill to saw timber for northern furniture makers. He soon figured out that there was more profit in making furniture himself. J.D. and his brother, Charles Columbus Bassett, set up a factory to produce beds and dressers in a hamlet known as Horsepasture.

They called the hamlet Bassett, Va., as if it were a real town. But it wasn't: It was an unincorporated place controlled lock, stock and barrel by the Bassetts. As Ms.

Macy makes clear, Bassett, Va., was not a very nice place. J.D. and C.C. lived in sprawling mansions atop the hills overlooking the Smith River. Workers lived in company-owned houses. The Bassetts owned the bank, ran the power plant, hired the police and helped themselves to serving girls.

The company flourished. Taking advantage of the fact that furniture designs are hard to protect, it used cheap wood and cheap labor to make lookalike products that undercut the established industry centered in Grand Rapids, Mich. It sold to the masses, not the classes. "We made awful furniture," Jane Bassett Spilman, J.D.'s granddaughter, confessed to Ms. Macy, admitting that she owned none of the stuff herself.

Grand Rapids had craftsmen, unions and high wages. J.D. and C.C. had none of the above. They hired hardscrabble Scotch-Irish farmers and taught them the rudiments of furniture making, offering regular jobs in a region that had few of them. They hired blacks at a time when furniture makers rarely did, albeit at half the wage paid to whites. And when managers and relatives grew restless working for them, the brothers staked them to build their own furniture companies, turning Bassett Furniture into the hub of a thriving wood-furniture ecosystem across Virginia and North Carolina.

J.D. Bassett is the protagonist of the first half of Ms. Macy's book. The second half is dominated by his grandson, John D. Bassett III. JBIII was born to run Bassett Furniture; on the day of his birth in 1937, his grandfather wrote him a letter saying so. But it was not to be. Upon the premature death of his father, company CEO John D. "Doug" Bassett, the job went first to C.C.'s son and then to Bob Spilman, Jane's husband. Jane was apparently disqualified by reason of gender.

Bob Spilman passionately disliked his brother-in-law, exiling him to a branch plant and then consigning him to humdrum jobs around headquarters. In 1983, John D. Bassett III broke free to become plant manager for a much smaller competitor, Vaughan-Bassett Furniture Co., in nearby Galax, Va. Vaughan-Bassett was a basket case, and JBIII was hired to save it. By raiding Bassett Furniture for talent and investing his own money in machinery, JBIII proved that he was as good a manager as anyone else in the family, turning Vaughan-Bassett around and eventually taking charge of the company.

This tale of family intrigue, artfully told, is worth reading on its own. But what really interests Ms. Macy is what came next. In the mid-1970s, a Taiwanese chemist, Laurence Zung, found a chemical that would preserve the wood of old rubber trees were cut down when they stopped producing latex. His Wharton-educated brother-in-law, Larry Moh, hit on the idea of turning this hitherto worthless wood into furniture in Hong Kong. Universal Furniture was soon offering solid wood dining-room suites to American retailers for a fraction of the price that U.S. factories charged. Ms. Macy is aware of the irony: "Larry Moh became the first Asian to clobber the Southern furniture makers exactly the way they'd punched the guys in Grand Rapids a century before—with free hardwood and dirt-cheap labor."

U.S. furniture makers, by and large, did not fight this trend. They embraced it, showing Asian manufacturers how to make better furniture and selling these Asia-made items under their own brand names. In 1994, Bassett Furniture began opening retail stores and backing away from manufacturing. In 1997, it owned 42 plants. Three years later, it was down to 14. Vaughan-Bassett tried to buy one of Bassett Furniture's abandoned plants. Bassett Furniture tore it down instead.

The wood-furniture industry began shedding jobs by the thousands as furniture makers in China and Indonesia, with cheap labor and subsidized capital, took over the U.S. market. In 2001, John D. Bassett

III discovered that a factory in northern China was selling a Louis Philippe bedroom suite to U.S. wholesalers, and charging half what Vaughan-Bassett charged. Some of Ms. Macy's most moving chapters describe JBIII's response to this challenge. He insisted that Vaughan-Bassett step up its game, asking workers to suggest factory-floor improvements and offering incentives to boost productivity. At the same time, he mounted a detective effort to figure out who in China was making that cheap Louis Philippe. When he did, he hit them with an antidumping case, over the opposition of the many U.S. makers of bedroom furniture who imported heavily from China. After pulling together a coalition and spending a great deal of money, he won.

Vaughan-Bassett, once an also-ran, today bills itself as "the largest manufacturer of wooden adult bedroom furniture in the country." John D. Bassett III's determination to maintain U.S. manufacturing, to keep his factories open and his workers employed, makes him a hero to Ms. Macy, and her prodigious research and colorful writing make this book worthwhile for anyone interested in reviving American industry.

I am less confident, though, in Ms. Macy's interpretation of the events she describes. She presents her book as a story of globalization, and her sympathies lie with the thousands of displaced furniture workers victimized by "faraway people who had never bothered to see the full result of what globalization had wrought." To some extent, she is surely right. Yet it was not by chance that the U.S. furniture industry provided easy pickings for foreign manufacturers.

In the 1990s, U.S. furniture making was a backward industry. Its productivity—the efficiency with which capital and labor are put to use—grew only one-third as fast as in manufacturing overall. While firms in other industries were investing in laser cutters and five-axis milling machines, furniture makers were devoting only 2.6% of their revenue to capital investment. Instead, they relied heavily on cheap labor, paying their average worker 29% less than the average in all manufacturing.

Nor was there much innovation. When Ikea's flat-pack furniture, designed to minimize shipping costs and leave assembly to the purchaser, arrived in the United States in 1985, American manufacturers had nothing like it. Ms. Macy reports that Universal Furniture cut costs by designing for efficient production at high volume; U.S. manufacturers did not. Similarly, when JBIII countered the distant Chinese by guaranteeing that Vaughan-Bassett would deliver orders within a week, his own company's credit and delivery departments couldn't cope.

Globalization takes the blame for many ills these days. But the implosion that Ms. Macy chronicles owes less to import competition than to executives in a sheltered industry who failed to keep up with a changing world. It is to his credit that John D. Bassett III thought differently. It is the country's loss that so many of his counterparts did not.

—Mr. Levinson's books include "The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger."

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