

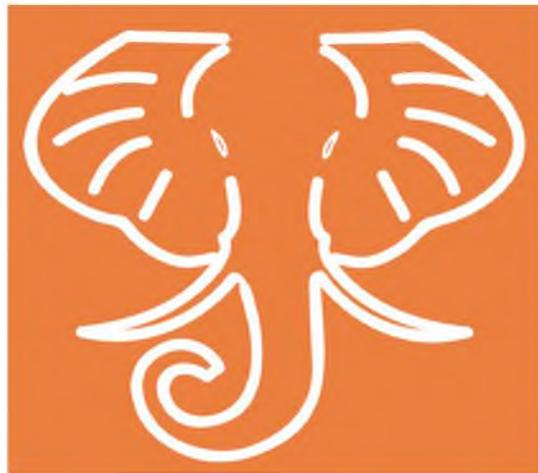
Wars of attrition : Vietnam, the business roundtable, and the decline of construction unions / Marc Linder.

Linder, Marc.

Iowa City : Fanpihua Press, 2000.

<http://hdl.handle.net/2027/mdp.39015049707592>

HathiTrust



www.hathitrust.org

Creative Commons Attribution-NonCommercial-NoDerivatives

http://www.hathitrust.org/access_use#cc-by-nc-nd

Protected by copyright law. You must attribute this work in the manner specified by the author or licensor (but not in any way that suggests that they endorse you or your use of the work). Only verbatim copies of this work may be made, distributed, displayed, and performed, not derivative works based upon it. Copies that are made may only be used for non-commercial purposes.

GRAD
HD
9715
. U52
L56
2000

Wars of Attrition

Vietnam,

the Business Roundtable,

and the Decline of Construction Unions

*"This book is a must-read for every building trades local union officer."
Charles Marshall, business manager, IBEW Local 948, Flint, and Jeff Radjewski,
business manager, IBEW Local 58, Detroit.*

Second Revised Edition

MARC LINDER

Fānpìhuà Press



WARS OF ATTRITION



WARS OF ATTRITION

Wars of Attrition

***Vietnam, the Business Roundtable, and the
Decline of Construction Unions***

MARC LINDER

Second Revised Edition

**Fānpìhuà Press
Iowa City
2000**

Digitized by Google

Original from
UNIVERSITY OF MICHIGAN

HD
9715
.U52
L56
2000

Copyright © 2000 by Marc Linder
All rights reserved
Printed in the United States of America

Suggested Library of Congress Cataloging

Linder, Marc, 1946—

Wars of attrition: Vietnam, the Business Roundtable,
and the decline of construction unions/by Marc Linder. 2nd ed., rev.
xix, 434 p. 23 cm.

Includes bibliographical references and index.

ISBN 0-9673899-5-X

1. Construction industry—U.S.
2. Industrial relations—U.S.
3. Construction unions—U.S.
4. Construction workers—U.S.
5. Employers' associations—U.S.

HD9715.U52L498 2000

338.4'7'6900973—dc21

Library of Congress Control Number: 00-093286

Publication of this edition was made possible in part by grants from the International Brotherhood of Electrical Workers; IBEW Local 948, Flint, MI; IBEW Local 58, Detroit, MI; and the Michigan Chapter of the National Electrical Contractors Association.

grad
gift/Marc Linder
40296660
3/29/01

Recent construction settlements will raise earnings levels for many craftsmen to those of doctors and lawyers unless moderation is achieved.¹

You cannot increase...construction wages 50 to 60 percent in 3 years...without changing the nature of the United States. ... The No. 1 domestic problem of the country is the effect of the wage push on the total lives of everyone.²

[W]age rate wars can break out, much as gasoline price wars do. ... I don't view it as equity that when one chicken gets out of the coop, all the others have to be let out, too.³

¹"Finding a Formula with which to Test the Reasonableness of Settlements" at 1 (Oct. 14, 1969) (no author), in NACP, RG 174: General Records of the Labor Dept., Office of the Secretary, Records of the Secretary of Labor George P. Shultz, 1969-1970, Box No. 58: Councils, Folder: 1969 Committee: Cabinet Committee on Construction.

²*Economic Prospects and Policies: Hearings Before the Joint Economic Committee*, 92d Cong., 1st Sess. 380 (1971) (testimony of Roger Blough).

³Arthur Okun, "Discussion," *BPEA* 3:1971 at 765, 766.

Note to the Second Revised Edition

On December 6, 1999, the construction industry's leading trade magazine, *Engineering News-Record*, published an article about *Wars of Attrition* reporting the book's use of the Business Roundtable's own archives to document the key role played by the Roundtable in undermining construction unions.¹ Literally the next day the Roundtable disbanded its construction-related activities.²

The response to *Wars of Attrition* has been astonishing. Its author would have been the last to predict that a 450-page academic tome freighted with almost two thousand footnotes would become must-reading for rank-and-file construction workers, union officials, unionized construction firm managers, and anti-union construction organizations. Many workers and union officials (both those who lived through the events of the 1960s and 1970s as well as younger ones) have drawn diametrically opposite conclusions from the book: the Roundtable conspiracy did us in and we did ourselves in. The principal reason the first edition went out of print so quickly is that construction unions acquired many copies to use for internal education. Management's reaction has been an amalgam of amusement and bemusement: the book rings true, but it's a tad surprising that the Roundtable wanted its behind-the-scenes activities publicized.

This second revised edition, the only changes in which are corrections of typos, is appearing now to meet the large volume of requests for the book. Significantly, its publication has been made possible in part by grants from the International Brotherhood of Electrical Workers and the National Electrical Contractors Association. Those who were unable to obtain a copy of the first edition before it went out of print are now indebted to Jim Rudicil, IBEW international representative, whose enthusiasm for the book and organizing skills made that financing happen. The AFL-CIO's George Meany Center is also considering publication of an even larger print run in 2001.

Marc Linder
November 2000

¹Richard Korman, "The Roundtable and the Unions," *ENR*, Dec. 6, 1999, at 19.

²"BRT Disbands Construction Committee," *Construction Labor Report*, Dec. 15, 1999, at 1135; William Krizan, "Roundtable Quits Construction," *ENR*, Dec. 20, 1999, at 12.

Contents

<i>Tables</i>	vii
<i>Abbreviations</i>	ix
Preface	xiii
PART I Employer Resentment and Union Overestimation of the Vanishing Reserve Army of the Unemployed	
<i>Military-Industrial Prologue</i>	3
1 The Vietnam War and the Labor Market: The Johnson Administration	9
2 What Did Unions Know About the Open-Shop Threat and When Did They Know It?	34
PART II Rhetoric and Reality	
3 The Press's Production of Public Perceptions of Rapacious Construction Unions and Workers	47
4 Reality: Wages and Unemployment	59
<i>Wages, 59</i>	
<i>Unemployment, 68</i>	
<i>Annual Wages, 86</i>	
5 Sources of Power of Militant Business Unionism	95
<i>Construction Unions' Organizational Strength, 96</i>	
<i>The Size-Structure of Construction Firms, 102</i>	
<i>Causes and Consequences of Construction Unions'</i> <i>Strong Position, 107</i>	
<i>Worker Control, 120</i>	
<i>Comparative Alienation, 126</i>	
<i>Strikes, 135</i>	
PART III Capital Fractionated and United	
6 Construction Employer Organizations	147
<i>Brief History of Construction Employer Organizations, 148</i>	
<i>Construction Industry Employers Associations, 153</i>	
National Constructors Association, 154	
Associated General Contractors of America, 166	
Associated Builders and Contractors, 171	
Wage-Intensity and Employer Organization, 178	
7 Industrial-Capitalist Customers' Counterattack— The Business Roundtable	182

PART IV The Joint Employer-State Struggle

8 The Nixon Administration's Early Initiatives to Regulate the Construction Industry	233
9 Fighting Racist Unions' Militance by Fighting Race Discrimination	241
10 Operation Breakthrough: Industrialized Housing and the Threat of Vertical Integration	264
11 Construction Workers' Counter-Demonstrations Supporting the U.S. Invasion of Cambodia and Neutralizing the Nixon Administration: The End of the '60s	276
12 Multi-Employer and Regional Bargaining	289
13 The Nixon Administration's Wage Controls	305

PART V The Outcome

14 The Unions' Failure to Stave Off the Open Shop Legislatively During the Ford Interregnum	331
15 Unions and the Anti-Union Movement	344
<i>Fighting Back or Giving Back?</i> 345	
<i>The Role of Labor Law</i> , 371	
<i>Membership and Wages</i> , 386	
16 Cycles of Open-Shop Drives	397
Appendix: War and Construction Wages	415
A Note on Sources	423
<i>Index</i>	425

Tables

1	Median Hourly Wage Increases in Collective Bargaining Agreements in Manufacturing and Construction, 1962-1974 (in cents)	61
2	Rate of Change in Construction and Manufacturing Earnings, 1947-1974 (in %)	63
3	Average Disposable Real Weekly Earnings (in constant 1967 \$) of Private-Sector Workers, 1965-1974	64
4	Average Disposable Real Weekly Earnings (in constant 1967 \$) of Manufacturing and Construction Workers, 1965-1974	65
5	Ratio of Gross Hourly Earnings in Construction to Those of All Private-Sector and Manufacturing Employees, 1965-1974 (in %)	65
6	Unemployment among Construction Workers and All Workers, 1948-75	69
7	Sectoral Employment Growth, 1965-69 (in 000)	80
8	Changes (in %) in the Value of New Construction Put in Place, 1964-69	81
9	Skill Composition (in %) of On-Site Labor in Selected Sub-Branches, 1959-62	83
10	Annual Earnings from Their Industry of Major Earnings of Four-Quarter Workers in Construction and Manufacturing, 1965-75	91
11	Percentage of Four-Quarter Workers in Construction and Manufacturing Whose Annual Earnings from Their Industry of Major Earnings Exceeded \$10,000 and \$15,000, 1965-72	92
12	Building and Construction Trade Union Membership, 1956-1978	98
13	Membership in U.S. Construction Unions, 1970	99
14	Size Distribution of Employment in Construction Establishments with Payroll, 1967 and 1972	104
15	Size-Distribution of Employment in Construction Companies, 1967 and 1972	106
16a	Strikes and Strikers in Construction, 1946-1975	138
16b	Worker-Days on Strike in Construction Strikes, 1946-1975	140
17	Strikes with More Than 10,000 Strikers, 1965-1975	143
18	Construction Worker Wages as a % of Production Costs, and Construction Workers and Gross Book Value of Depreciable Assets per Establishment, 1972	179
19	Structures as Share of Total New Gross Fixed Capital Formation for Selected Industries, 1967	226

20	Blacks as a % of All Workers in Selected Building Trades, 1950-1970	244
21	Black Men as a % of All Male Craft Workers, 1962-1974	262
22	Construction Union Membership, 1965 and 1995	387
23	Blacks as a % of Selected Construction Crafts, 1980 and 1990	395
24	Wages and Unemployment, 1916-1922	401
25	Construction Wages in San Francisco and the United States, 1920-1933	410
26	Employment and Weekly and Hourly Earnings in Manufacturing and Construction, 1937-1947	416

Abbreviations

<i>AA</i>	<i>Applied Anthropology</i>
<i>AAAPSS</i>	<i>Annals of the American Academy of Political and Social Science</i>
<i>AABN</i>	<i>American Architect and Building News</i>
<i>ABC</i>	Associated Builders and Contractors
<i>AC</i>	<i>American Contractor</i>
<i>AD</i>	<i>Architectural Design</i>
<i>AER</i>	<i>American Economic Review</i>
<i>AF</i>	<i>American Federationist</i>
<i>AFL-CIO</i>	American Federation of Labor-Congress of Industrial Organizations
<i>AGC</i>	Associated General Contractors of America
<i>AJS</i>	<i>American Journal of Sociology</i>
<i>AL</i>	<i>American Labor</i>
<i>AP</i>	<i>American Plan</i>
<i>ASQ</i>	<i>Administrative Science Quarterly</i>
<i>ASS</i>	<i>Archiv für Sozialwissenschaft und Sozialpolitik</i>
<i>BBL</i>	<i>Bulletin of the Bureau of Labor</i>
<i>BCTB</i>	<i>Building and Construction Trades Bulletin</i>
<i>BCTD</i>	Building and Construction Trades Department
<i>BEA</i>	Bureau of Economic Analysis
<i>BHR</i>	<i>Business History Review</i>
<i>BJA</i>	<i>Building: A Journal of Architecture</i>
<i>BJELL</i>	<i>Berkeley Journal of Employment and Labor Law</i>
<i>BJIR</i>	<i>British Journal of Industrial Relations</i>
<i>BLR</i>	<i>Buffalo Law Review</i>
<i>BLS</i>	Bureau of Labor Statistics
<i>BMP</i>	<i>Bricklayer, Mason and Plasterer</i>
<i>BPEA</i>	<i>Brookings Papers on Economic Activity</i>
<i>BR</i>	Business Roundtable
<i>BSR</i>	<i>Business and Society Review</i>
<i>BTC</i>	Building Trades Council
<i>BW</i>	<i>Business Week</i>
<i>CB</i>	<i>Carpenter and Builder</i>
<i>CC</i>	Coordinating Committee/Construction Committee
<i>CCC</i>	Cabinet Committee on Construction
<i>CCE</i>	Council of Construction Employers
<i>CCH</i>	Construction Committee History
<i>CCI</i>	<i>Census of Construction Industries</i>

CCPS	Cabinet Committee on Price Stability
CICEP	Construction Industry Cost Effectiveness Project
CISC	Construction Industry Stabilization Committee
CL	<i>Construction Lawyer</i>
CLLJ	<i>Comparative Labor Law Journal</i>
CLR	<i>Construction Labor Report</i>
CMA	Contractors Mutual Association
CPR	Current Population Reports
CPS	Current Population Survey
CPWR	Center for the Protection of Workers' Rights
CQ	<i>Congressional Quarterly</i>
CR	<i>Construction Review</i>
CT	<i>Chicago Tribune</i>
CUAIR	Construction Users Anti-Inflation Roundtable
CUH	<i>Construction User Headlines</i>
CWC	<i>Compensation and Working Conditions</i>
CWD	<i>Current Wage Developments</i>
DLR	<i>Daily Labor Report</i>
DOL	United States Department of Labor
DW	<i>Daily World</i>
EE	<i>Employment and Earnings</i>
EJ	<i>Economic Journal</i>
EO	Executive Order
EWJ	<i>Electrical Workers' Journal</i>
F	Federal Reporter
FR	<i>Federal Register</i>
FW	<i>Financial World</i>
HBR	<i>Harvard Business Review</i>
HLR	<i>Harvard Law Review</i>
HM	<i>Harper's Magazine</i>
IBEW	International Brotherhood of Electrical Workers
IHCBLJ	<i>International Hod Carriers and Building Laborers' Journal</i>
ILO	International Labour Organisation
ILR	<i>International Labour Review</i>
ILRR	<i>Industrial and Labor Relations Review</i>
IOE	<i>International Operating Engineer</i>
IR	<i>Industrial Relations</i>
IRLJ	<i>Industrial Relations Law Journal</i>
IRRA	Industrial Relations Research Association
IST	<i>International Science & Technology</i>
IUOE	International Union of Operating Engineers
JAH	<i>Journal of American History</i>

<i>JASA</i>	<i>Journal of the American Statistical Association</i>
<i>JB</i>	<i>Journal of Business</i>
<i>JBMP</i>	<i>Journal of the Bricklayers, Masons and Plasterers International Union of America</i>
<i>JCEM</i>	<i>Journal of Construction Engineering and Management</i>
<i>JEBH</i>	<i>Journal of Economic and Business History</i>
<i>JEWO</i>	<i>Journal of the Electrical Workers and Operators</i>
<i>JH</i>	<i>Journal of Housing</i>
<i>JIE</i>	<i>Journal of Industrial Economics</i>
<i>JLR</i>	<i>Journal of Labor Research</i>
<i>JNH</i>	<i>Journal of Negro History</i>
<i>JPE</i>	<i>Journal of Political Economy</i>
<i>JSH</i>	<i>Journal of Social History</i>
<i>JW</i>	<i>Jahrbuch für Wirtschaftsgeschichte</i>
<i>LAT</i>	<i>Los Angeles Times</i>
<i>LCP</i>	<i>Law and Contemporary Problems</i>
<i>LH</i>	<i>Labor History</i>
<i>LLJ</i>	<i>Labor Law Journal</i>
<i>LRR</i>	<i>Labor Relations Reporter</i>
<i>LSJ</i>	<i>Labor Studies Journal</i>
<i>LT</i>	<i>Labor Today</i>
MARBA	Mid-America Regional Bargaining Association
MCAA	Mechanical Contractors Association of America
<i>MDB</i>	<i>Monatsberichte der Deutschen Bundesbank</i>
<i>MLR</i>	<i>Monthly Labor Review</i>
<i>MR</i>	<i>Monthly Review</i>
<i>MSC</i>	<i>Merit Shop Contractor</i>
NAB	National Association of Builders
NACP	National Archives at College Park
NAHB	National Association of Home Builders
NAM	National Association of Manufacturers
<i>NB</i>	<i>Nation's Business</i>
NCA	National Constructors Association
NCEC	National Construction Employers Council
NCSA	National Construction Stabilization Agreement
NECA	National Electrical Contractors Association
NICA	National Industrial Construction Agreement
<i>NJ</i>	<i>National Journal</i>
NLRA	National Labor Relations Act
NLRB	National Labor Relations Board
NPMS	Nixon Presidential Materials Staff
NYDN	New York Daily News

<i>NYP</i>	<i>New York Post</i>
<i>NYRB</i>	<i>New York Review of Books</i>
<i>NYT</i>	<i>New York Times</i>
<i>NZ</i>	<i>Neue Zeit</i>
<i>NZZ</i>	<i>Neue Zürcher Zeitung</i>
<i>PATJ</i>	<i>Painters and Allied Trades Journal</i>
<i>PJ</i>	<i>Painters Journal</i>
<i>PK</i>	<i>Probleme des Klassenkampfes</i>
<i>PM</i>	<i>Personnel Management</i>
<i>PPPUS</i>	<i>Public Papers of the Presidents of the United States</i>
<i>PRWET</i>	<i>Pacific Research & World Empire Telegram</i>
<i>QJE</i>	<i>Quarterly Journal of Economics</i>
<i>QREB</i>	<i>Quarterly Review of Economics and Business</i>
<i>RD</i>	<i>Reader's Digest</i>
<i>RES</i>	<i>Review of Economics and Statistics</i>
<i>RG</i>	<i>Record Group</i>
<i>RR</i>	<i>Roundtable Report</i>
<i>SCB</i>	<i>Survey of Current Business</i>
<i>SF</i>	<i>Subject Files</i>
<i>SP</i>	<i>Soutar Papers</i>
<i>UA</i>	<i>United Association</i>
<i>UAJ</i>	<i>United Association Journal</i>
<i>UAQ</i>	<i>Urban Affairs Quarterly</i>
<i>UBS</i>	<i>University of Buffalo Studies</i>
<i>UCPE</i>	<i>University of California Publications in Economics</i>
<i>UCWN</i>	<i>United Construction Workers News</i>
<i>UISSS</i>	<i>University of Illinois Studies in the Social Sciences</i>
<i>USBC</i>	<i>United States Bureau of the Census</i>
<i>USDC</i>	<i>United States Department of Commerce</i>
<i>USDL</i>	<i>United States Department of Labor</i>
<i>USNWR</i>	<i>U.S. News and World Report</i>
<i>WHCF</i>	<i>White House Central File</i>
<i>WLR</i>	<i>Wayne Law Review</i>
<i>WP</i>	<i>Washington Post</i>
<i>WSJ</i>	<i>Wall Street Journal</i>
<i>WZHABW</i>	<i>Wissenschaftliche Zeitschrift der Hochschule für Architektur und Bauwesen Weimar</i>

Preface

Nowhere else...is there to be found so cogent a proof of the axiom that unionism in America is merely the other side of capitalism's coin. It is the same coin. It is not a token of any other minting.¹

The decline of the once quasi-monopolistic construction unions during the last quarter of the twentieth century has, according to activists, “shaken the building trades' wing of the House of Labor to its foundations....”² To be sure, construction unions have not been alone in suffering huge losses. In the steel, automobile, rubber, clothing, and other industries unions have also experienced severe decreases in membership.³ But unlike industrial unions, the building trades were not victims of cheap imports from an inexorably globalizing economy: high-wage union pipefitters building petrochemical and power plants in Texas and Michigan did not lose their jobs to low-paid construction workers in or from China, El Salvador, or Indonesia.⁴ Instead, their jobs were taken by compatriots, some of them until recently union brothers, employed by cut-rate antiunion construction firms—some of which had been union firms in good standing. Indeed, some nonunion contractors are subsidiaries of long-time respectable union contractors.⁵

Despite advances in prefabrication and modularization, today, as in the

¹Herbert Harris, *American Labor* 150 (1939) (referring to the United Brotherhood of Carpenters).

²Jeff Grabelsky & Mark Erlich, “Recent Innovations in the Building Trades,” in *Which Direction for Organized Labor?* 167-89 at 167 (Bruce Nissen ed., 1999).

³Leo Troy & Neil Sheflin, *U.S. Union Sourcebook: Membership, Finances, Structure, Directory B-1-B-17* (1985); *Directory of U.S. Labor Organizations: 1987-87 Edition* 61-65 (Courtney Gifford, 1986); *Directory of U.S. Labor Organizations: 1997 Edition* 81-82 (C. Gifford ed., 1997)

⁴“In many industries, the main reason why labor and management are worried about productivity is that productivity has been growing faster...in Japan or Germany or some other trading partner than in the United States, and that has led to a rising volume of imports. That sort of concern, in the direct sense is really not relevant to the construction industry. We are not worried about Japanese contractors coming in and building American roads or American buildings.” Albert Rees, “Measuring Productivity in Construction: An Overview,” in National Commission on Productivity and Work Quality, *Measuring Productivity in the Construction Industry* 5-10 at 7 (n.d. [ca. 1973]).

⁵Throughout “open shop” is used interchangeably with “nonunion” and “antiunion.” Although employers in this sector assert that they are literally “open shop” because they do not discriminate against individual workers who happen to be union members and who wish to work for them, this meaning is Pickwickian since such employers are vociferously antagonistic to the members' unions and tolerate the individual workers only so long as they refrain from organizing. The disingenuousness of employers' claims to indifference or impartiality became manifest in the 1980s when unions began their “salting” campaigns: employers fired or refused to hire qualified construction workers who were known to be union organizers. See below chapter 15. Historically, unions have taken the position that all shops are closed—either to unionists or nonunionists. William Haber, *Industrial Relations in the Building Industry* 241-45 (1930).

past, buildings largely remain nontransportable commodities so that buyers in one locality must pay the going rate there regardless of cheaper rates elsewhere.⁶ However, unlike the situation earlier in the century, the growth of national firms with mobile workforces has meant that industry is no longer so localized that unions can assume that monopolizing the local labor market will also shield the local product market from competition by lower-wage firms.⁷ And although a corporate owner requiring a building for a site in Chicago must still have it built in Chicago, it may choose to shift the site to Alabama if construction costs are too high, just as it might close an existing manufacturing plant and open another one in Alabama (or Malaysia) if it decides that the plant workers' demands interfere with profitability.

Unlike their counterparts in manufacturing industries, where employment has plummeted in tandem with unionization, construction workers have significantly increased in number.⁸ Moreover, whereas the world market did not begin intimidating U.S. industrial workers until the latter half of the 1970s, construction unions became subject to economic and political attacks a decade earlier during the Vietnam War. This asynchronous development is curious because competitive pressure on the construction industry was largely derivative. As Roger Blough, the leader of the Roundtable, told Congress in 1971: "It is not the direct kind of competition..., but there is definitely indirect competition between construction costs abroad and construction costs in this country" in the sense that "[e]very time you sell a pair of shoes, you are selling a piece" of the factory in which it was manufactured.⁹ Since the primary source of these attacks was large industrial owner-customers, which complained that exploding construction wages were driving new plant construction costs to levels at which the products produced in them were becoming less competitive, it is remarkable that manufacturing corporations chose to focus first not on their own employees, but turned instead to construction workers, whose wages represented only a small share of the costs of manufactured products. And finally, much more so than their industrial colleagues, construction workers were attacked by a complex coalition of employers, the state, industrial customers, and the media, intent on breaking unions' control of the supply of skilled building tradesmen.

Construction unions in the early 1970s were subject to the first wave of

⁶But see Marc Linder, *Projecting Capitalism: A History of the Internationalization of the Construction Industry* 9-13 (1994) (discussing the export of prefabricated structures).

⁷Royal Montgomery, *Industrial Relations in the Chicago Building Trades* 4 (1927).

⁸From 1979 to 1997, production or nonsupervisory workers in construction rose 23 percent (from 3,565,000 to 4,361,000) whereas those in manufacturing fell 15 percent (from 15,068,000 to 12,809,000). Calculated according to *Handbook of U.S. Labor Statistics* 139 (2d ed.; Eva Jacobs ed. 1998).

⁹*Economic Prospects and Policies: Hearings Before the Joint Economic Committee*, 92d Cong., 1st Sess., pt. 2, at 374 (1971).

demands by employers for concessionary bargaining based on allegedly untenable union-nonunion wage gaps (and productivity-inhibiting work rules).¹⁰ To be sure, similar developments had emerged in the mid-1950s in textiles and in the late 1950s and early 1960s in meatpacking.¹¹ But those industries differed from construction in that textile wage differences were rooted in North-South differentials, while the newly emerged nonunion meatpacking firms were able to lower wages because they had opened operations in rural areas with capital-intensive technologies that increasingly eliminated the need for large numbers of skilled workers.¹² Nonunion construction firms, in contrast, competed solely on the basis of lower wages and benefits and elimination of union work rules. Wage differentials offered nonunion firms considerable latitude for competitive underbidding: between 1967 and 1975, the union-nonunion wage gap for building craftsmen varied between 30 and 42 percent, while that for laborers ranged between 40 and 48 percent. In contrast, the average in manufacturing industries ranged between -1 and 10 percent and 14 and 24 percent, respectively.¹³

The only roughly comparable developments with regard to wage cuts in 1971-72 in manufacturing took place sporadically except in the rubber industry and at General Motors' Frigidaire division against the background of employers' complaints about a productivity squeeze. Firestone Tire and Rubber Company first threatened to (and later did) open a new plant in Tennessee rather than in Akron unless its union workers accepted the equivalent of a \$1.14 (or 19 percent) per hour wage cut. At the Frigidaire plant in Dayton, workers, represented by the International Union of Electrical Workers, worked under collective bargaining agreements similar to those at GM automobile plants; consequently their wages were \$2 an hour higher than those at competing appliance manufacturers.

¹⁰The claim that construction was "the first major industry case" of big capital's "union-busting" following management's offensive at the end of the 1950s and beginning of the 1960s, which almost unleashed "a raw re-opening of the class struggle," is exaggerated. Mike Davis, *Prisoners of the American Dream: Politics and Economy in the History of the US Working Class* 132, 123 (1987).

¹¹Daniel Mitchell, *Unions, Wages and Inflation* 74 (1980). Even partly unionized firms, such as General Electric, had begun developing strategies in the late 1940s to avoid unions including relocation to the South and opening nonunion parallel production plants duplicating operations in unionized plants in order to counteract strikes. Barry Bluestone & Bennett Harrison, *The Deindustrialization of America: Plant Closings, Community Abandonment, and the Dismantling of Basic Industry* 164-70 (1982).

¹²Hervey Juris, "Union Crisis Wage Decisions," 8 (3) *IR* 247-58 (May 1969). Of the 23 manufacturing industries surveyed by the BLS in the first half of the 1960s, meat packing recorded by far the largest union-nonunion wage gap (66 percent). Vernon Clover, "Compensation in Union and Nonunion Plants, 1960-1965," 21 (2) *ILRR* 226-33 (Jan. 1968).

¹³Orley Ashenfelter, "Union Relative Wage Effects: New Evidence and a Survey of Their Implications for Wage Inflation," in *Economic Contributions to Public Policy: Proceedings of a Conference held by the International Economic Association at Urbino, Italy* 31-60, tab. 2.3 at 37 (Richard Stone & William Peterson eds., 1978).

Following major layoffs, some workers were recalled at wages reduced by 25 cents per hour. As early as 1971, some labor relations analysts perspicaciously viewed Frigidaire as a harbinger of the wage squeeze to which rising imports would sooner or later subject other manufacturers. Nevertheless, at the same time, as construction unemployment rose sharply, union electricians near Cleveland acquiesced in \$4 an hour (or 50 percent) wage cuts for one- and two-family housing construction.¹⁴

Construction employers remained leaders of the norm-breaking wave of union wage concessions in the first half of the 1980s in conjunction with unprecedented depression-level rates of unemployment: the industry accounted for 39 percent of all concessionary collective bargaining settlements between 1981 and 1985.¹⁵ Again, construction differed from most of the other industries being pressed for concessions. Unlike the metals, machinery, lumber, and automobile industries, construction was not subject to foreign competition; and unlike the airlines and trucking industries, it had not been plunged into deregulation. By the time of the depression of the early 1980s, however, construction was no longer unique: not only were other industries (such as retail food stores and printing-publishing) exposed to low-wage nonunion competition, but the demonstration effect,¹⁶ especially among weakly unionized firms, impelled some employers to seek to eliminate unions altogether. Incredibly, 19 percent of large corporation executives polled by *Business Week* in 1982 openly admitted: "Although we don't need concessions, we are taking advantage of the bargaining climate to ask for them."¹⁷ Even while the magazine was editorially condemning such companies as "simply bent on taking unfair advantage of the unions' current weakness,"¹⁸ it noted a paradox: "Despite staggering job losses, building trades unions are still demanding and winning double-digit wage settlements where they have leverage."¹⁹

And the anomaly continues: despite the decades-long multi-pronged assault, at century's end, hundreds of thousands of construction workers remain highly paid union members. Average hourly union pay scales (including fringe benefits) in 20 large cities reached \$34.78 for electricians, \$33.90 for plumbers, \$28.94 for carpenters, and \$23.03 for building laborers in September, 1998. In New

¹⁴Jim Hyatt, "Some Workers Accept Pay Cuts as Alternative to Losing Their Jobs," *WSJ*, July 23, 1971, at 1, col. 6, at 23 col 5; Everett Groseclose, "Increasingly, Workers Give Up Some Benefits So as Not to Lose Jobs," *WSJ*, Jan. 26, 1972, at 1, col. 6, at 27, col. 2.

¹⁵Daniel J. B. Mitchell, "Shifting Norms in Wage Determination," *BPEA*, No. 2, 1985, at 575-99, tab. 4 at 582.

¹⁶Mitchell, "Shifting Norms in Wage Determination" at 582-83.

¹⁷"A Management Split over Labor Relations," *BW*, June 14, 1982, at 19 (Lexis). The poll discerned a divide between firms less than 40 percent and more than 70 percent organized.

¹⁸"The Best Deal for Labor," *BW*, June 14, 1982, at 128 (Lexis).

¹⁹"Concessionary Bargaining: Will the New Cooperation Last?" *BW*, June 14, 1982, at 66 (Lexis).

York City, they reached heights barely imaginable to millions of sweatshop and service sector workers: \$53.80, \$55.66, \$50.96, and \$36.19, respectively.²⁰

The analysis of construction unions' decline during the last quarter of the twentieth century begins with the Vietnam War. One economic consequence of that war's unpopularity—inscribed in Congress's failure to declare war, and the Johnson administration's refusal to subject the economy to formal militarization—was that for the first time in the twentieth century, a “full-employment” wartime economy was not accompanied by wage-price controls.²¹ Part I focuses on the contradictory effects of the tight labor market during the Vietnam War. While Chapter 1 deals with employers' disenchantment with the labor militance spawned by diminished fear of unemployment, Chapter 2 documents how heightened power and swiftly rising wage rates misled some unions and workers to overlook that once the boom became a recession, firms employing lower-waged workers might oust some unionized employers. Part II turns to the rhetoric and reality of charges that greedy and tyrannical construction unions had undermined the economy by enabling their members to be grotesquely overpaid and underworked. Chapter 3 dissects the employer-inspired media campaign, while Chapter 4 presents a detailed empirical account of construction workers' wages, unemployment, and annual incomes. The unique underlying sources and most prominent manifestations of construction unions' unusually formidable labor market and workplace power are studied in Chapter 5.

Part III shifts attention to employers. Chapter 6 introduces construction employers' most important organizations and the positions that they adopted on the role of unions, while Chapter 7 is devoted to the extraordinary impact that the Roundtable, an organization of large industrial construction users, exerted on the development of construction labor-management relations. This account is uniquely enriched by first-time-ever access to Roundtable minutes and internal memoranda

²⁰*ENR*, Sept. 28, 1998, at 31. Despite the severe setbacks sustained by construction unionism overall, John T. Dunlop, the doyen of construction labor relations analysts, insists that, at least in big cities like Detroit, Chicago, New York, and Boston, unions in the mechanical trades, such as electricians and plumbers, are virtually as strong at the end of the twentieth century as they were in the 1960s. Telephone interview with Prof. John T. Dunlop, Harvard University, Cambridge, MA (Jan. 7, 1999). Dunlop appears to stand utterly alone in this view, which all other union and management informants treated derisively. One example of the hyperbolic character of Dunlop's assertion: whereas in 1979 unions could still repel employers' demand for lower wage rates in residential construction in the Chicago area, by 1982 they were forced to make the concession. Richard Schneirov & Thomas Suhrbur, *Unions Brotherhood, Union Town: The History of the Carpenters' Union of Chicago 1863-1987*, at 153-54 (1988). Grabelsky & Erlich, “Recent Innovations in the Building Trades” at 169, note that large commercial and industrial projects in those cities are still “largely union built,” but add that even in the immediately surrounding suburbs “union labor can often be found only on megaprojects.”

²¹Daniel Quinn Mills, *Industrial Relations and Manpower in Construction* 275 (1972).

relating to the construction industry. Part IV offers an account of the strategies formulated and implemented by the Nixon administration and employers to contain construction unions. Chapter 8 analyzes the first tentative measures taken by the federal government in 1969 and 1970. Efforts by the Nixon administration and employers to use the legal attack on construction unions' racially discriminatory membership policies to weaken their control over the labor market form the substance of Chapter 9, while Chapter 10 examines a similarly structured but less successful program to promote the industrialization of residential construction in order to undermine the role of skilled workers and their unions. The unions' counterattack is scrutinized in Chapter 11, which interprets the pro-war and pro-Nixon demonstrations on Wall Street in May 1970 as a building trades' strategy for luring the administration away from its alliance with anti-construction union employers. Chapter 12 treats the intra-employer debate over and failure to enact national legislation imposing geographically broader collective bargaining units on construction in order to strengthen contractors' negotiating position. An examination of the Nixon administration's most decisive intervention, the direct wage controls implemented by the Construction Industry Stabilization Committee from 1971 to 1974, constitutes Chapter 13.

The tentative outcome of constructive labor-capital struggles during the last quarter of the twentieth century is taken up in Part V. Unions' failure to enact legislation during the brief Ford administration that might have contained the dynamic of the antiunion movement is studied in Chapter 14, while Chapter 15 extensively views that movement's progress and unions' resistance. Finally, Chapter 16 provides a comparative historical perspective of earlier open-shop movements in construction.

Research for this book began in May 1970 and continued intensively throughout the 1970s and intermittently during the 1980s before becoming full-time again in the 1990s. The vantage point of the end of the century makes it a much more interesting study than it could have been in the early 1970s, when no one foresaw the vast expansion of the nonunion sector. Not even the Roundtable itself, to judge by its initial pessimistic analysis, predicted such a rapid deterioration of construction unionism: "Nor can the prospects for a more effective utilization of non-union construction labor be expected, realistically, to result from any lessening of union membership or allegiance to unions where these are already established...."²²

Pat Anderson of the Nixon Presidential Materials Staff, Tab Lewis, Textual Archives Service Division, and Clarence Lyons, Jr., Chief, Civilian Records,

²²Anthony Alfino, Algie Hendrix, & Carl Oles, "Manpower Supply in the Construction Industry" 46 (Aug. 11, 1970), in BR, CCH: 1970.

Textual Archives Service Division, of the National Archives and Records Administration at College Park, were all supremely resourceful in locating documents. Linda Seelke at the Lyndon B. Johnson Library in Austin made available additional archival documents. Richard Strassberg, Director of the Kheel Center for Labor-Management Documentation & Archives at Cornell University, was extraordinarily helpful in making available the materials on the Roundtable contained in Douglas Soutar's papers. James Gross, who is responsible for having acquired these papers for the Kheel Center, also made the initial contacts to arrange for their use. Connie Bulkley, a former archivist at the Kheel Center, helped select appropriate materials. The Business Roundtable provided access to the minutes of all its Coordinating/Construction Committee meetings, internal memoranda, and the entire run of its otherwise unavailable *Report* and *Construction User Headlines* as well as access to many former members. Jane Seegal at the Building and Construction Trades Department Center to Protect Workers' Rights provided hard to find materials. Kenneth Hedman, vice president for labor relations at Bechtel Corporation, Ted Kennedy, chairman, BE&K, Inc., Robert McCormick, president of the National Constructors Association, and Douglas Soutar, formerly a key member of the Roundtable, filled in numerous parts of the puzzle. Daniel Quinn Mills, who played an important role in managing federal controls of construction wages in the early 1970s, helped recreate the parties' mindset, while John Dunlop, the institutional memory of construction labor-management relations since World War II, provided useful background information.

