Wars of Attrition

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

MARC LINDER

Second Revised Edition

Fānpihuà Press
Iowa City
2000
What Did Unions Know About the Open-Shop Threat and When Did They Know It?

Its leaders are experienced business men bargaining to sell the products of its members for a higher price.1

Of all the myriad problems besetting the American economy today, perhaps the most serious is the inflationary effect of the high cost of labor settlements in the construction industry.2

Paradoxically, even at the height of union power and a seller’s labor market in the 1960s, violent protests by construction unionists against nonunion projects3 as well as repeated litigation over collective bargaining provisions and strikes in support of union workers’ right to refuse to work on the same site with nonmembers4 revealed that a nonunion sector steadily loomed as a threat. Indeed, as early as 1954, the Memphis building trades unions, which had long monopolized the labor market, began to lose their hold in a deunionizing industry.5

National union leaders constantly warned the membership of these perils. The Carpenters union, for example, was acutely aware of the dangers. As early as 1962, its president, Maurice Hutcheson, pointed to “a vast pool of small operations that need organization and should be organized.” He was especially wary of residential construction, which “must be organized if our Brotherhood is to grow and prosper.” Hutcheson warned that housing contractors would be difficult to organize once they branched out into general contracting. To be sure, he could not yet discern the overriding long-run threat: “The days of organizing large blocs of men working for a large contractor...are past. With a few exceptions, here and there, the large employers have been organized.”6 Four years later, Hutcheson

---

5That year five ironworkers were shot by nonunion workers when they tried to shut down a nonunion project. Michael Honey, Southern Labor and Black Civil Rights: Organizing Memphis Workers 263 (1993).
6Proceedings of the 29th General Convention of the United Brotherhood of Carpenters and
stressed that the large volume of nonunion work not only was responsible for much of the union’s loss of membership—which, in turn, was exacerbated by locals’ reluctance to admit new members lest they become competitors when jobs become scarce—but also put downward pressure on wages that would be difficult to resist. By 1973, the union’s new president, William Sidell, had made recruitment of the half-million nonunion carpenters and halting the nonunion contractors’ penetration of the union sector his highest priority.

Other unions also warned their members about the spreading nonunion sector in the 1960s. The Bricklayers’ president, Thomas Murphy, declared in 1968 that “we must recognize the facts of life. The non-union condition is growing....” In his opening remarks at a conference the next year devoted to discussing “problems,” Murphy announced: “We have to do something about this non-union membership—I cannot stress this too emphatically. In our negotiations now, all we are doing is upgrading the non-union membership. I don’t want a million members, but I do want the non-union bricklayer in our organization.” One of the reasons that organizing the unorganized was the union’s “greatest challenge” lay, as in other construction unions, in the locals’ reluctance to accept new members. By 1972, Murphy was still admonishing members that, often when locals turned down applicants for membership on the grounds that the hiring hall had no work to offer, “the rascal then finds a job at our trade.” Indeed, the point of organizing the unorganized was precisely “to combat the menace of the non-union worker.” Later that year, a specialty trade contractors association issued a plea for joint action with the Bricklayers “to combat the inroads of open shop competition....”

The NCA, the all-union employers group, brought the nonunion threat to the attention of Ironworkers at their 1968 convention. Introducing the NCA president, George Collins, union president John Lyons pointed to the “tremendously increased rate of competition in the last six years...from open-shop contractors who

---

Joiners of America 100 (1962).


have, in certain areas of the country, developed a high degree of competency to compete with” the NCA.13 Collins called on the Ironworkers to “face the plain fact” that their increasing wage rates led to an inevitable loss of markets, which he illustrated by reference to the recent awarding of the contract for a large chemical and petrochemical complex to a nonunion contractor by a client who had historically dealt with union labor and firms. In addition to outsize wage increases, Collins adduced jurisdictional disputes—accounting for 60 percent of all work stoppages on NCA projects—as another cause of client dissatisfaction with union workers.14 The president of the BCTD, Frank Bonadio, reinforced the message that “we cannot afford to lose any more jobs to non-union.” He warned of the dangers inherent in his estimate that in the jurisdiction of 15 percent of local building trades councils 95-100 percent of an ongoing “million-billion-dollar works program” would be union, in 15-20 percent of the councils 10-15 percent of the work would be union, while in the remainder 40-60 percent would be union.15

At the Ironworkers next convention in 1972, Lyons changed his approach. He confirmed that during the intervening four years nonunion construction had undergone “phenomenal growth....” For example, “owners who in the entire history of their corporation, or utility, had never had major construction work done any other way than by union contractors, have turned to open shop contractors and in some areas of the country even refuse to accept bids from union contractors.” However, in seeking an explanation, Lyons asserted that: “Without any question, the greatest single contributing factor is the Denver Building Trades decision.... This...has made picketing of unfair contractors almost impossible without running into situations that the courts have held to be in violation of the law.”16

This explanation, however, carried little weight. To be sure, in 1951, the U.S. Supreme Court had ruled that construction unions had engaged in an unlawful secondary boycott and thus committed an unfair labor practice under the Taft-Hartley Act by striking and picketing in order to force a unionized general
contractor at a building site to terminate its contract with a nonunion subcontractor. At the time the BCTD had plausibly asserted that the “decision is a severe blow to building trades unions and destroys the right they have always had, to refuse to work with non-union men.” But the growth of the open-shop movement was primarily driven by the expansion of large general contractors who hired nonunion specialty contractors; consequently, because the typical situation on such industrial building sites, unlike that in Denver Building and Construction Trades Council, involved no union contractors at all, no union workers were employed there and thus no secondary action would have been implicated. Moreover, the timing suggested by Lyons’ argument made little sense: for more than a decade after that prohibition had been in effect, the antiunion movement made no discernible headway.

The national leadership of the Plumbers union was also well aware of the nonunion threat. The president, Peter Schoemann, urged his members in 1969 not to “make overtime an inducement for employment”: “If we do not quickly realize we are killing that golden goose, the client/owner will find another labor market.” Examining how nonunion plumbing firms gained ground in Columbus, Ohio, is instructive. In the late 1960s, when Local 189 virtually monopolized the supply of skilled plumbers for large commercial, industrial, and residential projects, nonresidential work had become so plentiful and lucrative that union contractors gradually stopped bidding on large residential and smaller commercial projects. Nonunion firms filled this vacuum during the late 1960s “[l]ike a metastasizing cancer.... A high $850 initiation fee tended to keep out new journeymen.... The nonunion sector accelerated its growth..., and then, and only then, did the union wake up. But it was too late. Once nonunion contractors had proven their competence to builders, they established a foothold that was difficult to dislodge.” By the fall of 1970, when the nonunion share of large projects approached one-half

---

18 “Supreme Court Rules Against Labor on Secondary Boycott,” 4 (6) BCTB 1 (June 1951).
The attainment and maintenance in the late nineteenth century of the joint closed shop, in which no union would work at any building site if unionists were employed at jobs normally filled by union members, called into being city building trades councils. Frank Stockton, The Closed Shop in American Trade Unions 98-106 (1911).
19 Nevertheless, legislative repeal of this decision has been at or near the top of construction unions’ political agenda during the entire second half of the twentieth century. Indeed, during the early Eisenhower administration the prospect of legislatively overturning the ruling impelled the AFL unions to seek to cut a special deal with the Republicans, some of whom, in turn, were desirous of union support so that the party could shed its image as the businessman’s party. James Gross, Broken Promise: The Subversion of U.S. Labor Relations Policy, 1947-1994, at 78, 81, 89-91 (1995).
20 Schoemann: “Save the Goose,”” ENR, Mar. 27, 1969, at 66. Two years later the CUAIR cited Schoemann as having told his members that the open shop was growing at an alarming rate. CUAIR, CC, Minutes, May 4, 1971, at 3, in BR, 1971-Vol. II: Minutes.
and one-third of the union's active membership was unemployed, Local 189 offered to help the union contractors association regain the lost residential market by agreeing to a $4.36 per hour cut from their regular wage of $10.52 (including fringe benefits) on houses up to three stories. Moreover, journeymen were prohibited from quitting the job for higher paying commercial or industrial work once they had accepted employment; and if the union was unable to find union workers for an employer within 48 hours, it was free to hire temporary workers. When signed in October 1971, the agreement was the first of its kind in the United States, but the low profit margins on such small jobs deterred all but a few contractors from bidding on them. The following year, on September 13, hundreds of plumbers and other journeymen, "frustrated" by the declining living standards brought on by the expanding nonunion sector, destroyed more than $600,000 worth of structures and equipment at nonunion building sites in Columbus. While the press denounced the "rampage" and "violence," many building unionists, according to Local 189's historian, imbued with the "traditional rough-and-tumble code of ethics that had long governed the behavior of construction workers," were concerned only with the action's effectiveness, "not its morality." But this manifestation of their "determination to defend their livelihoods" quickly backfired: in the wake of a multimillion dollar lawsuit against the unions, nonunion contractors, who until then had not been militantly antiunion, "frightened by their vulnerability to mass action, joined the militantly antiunion" Associated Builders and Contractors, which soon consolidated the nonunion sector. By the mid-1970s, straits were so dire that Local 189 began encouraging its own members to become small contractors both to deprive nonunion firms of the small jobs and to provide more work for members.21

The president of the Painters union also admonished members about "Meeting the Non-Union Threat," which by 1972 was claiming "[m]ore and more jobs...."22 Frank Raftery pointed to the more than 100,000 full-time painters' jobs in the single-family home market: "Who represents these 100,000 painters? We surely don't. With our 140,000 painters, mostly in the commercial and industrial and multi-family dwelling markets we couldn't have more than 15,000-20,000 men in the new residential field. This leaves an organizing potential of 80,000."23

---


23S. Frank Raftery, "From the General President," 87 (1) PATJ n.p. [inside front cover], at 27 (Jan. 1973).
Although the "war" between unions and non-union firms was an old one, it had, according to the Painters union in 1973, "escalated seriously over the past few years. Until recently, a division between commercial and residential work was generally accepted by both sides. But lately that division has been increasingly challenged by non-union contractors." What had started as a trend in the South and rural areas, "is now national in breadth, entering even the big-city strongholds of unions. Non-union construction, mostly maintenance work so far, is even to be found in tightly organized New York city." To be sure, the Painters' explanation of the union response was self-contradictory: "The trend is blamed on the supposed high price and allegedly low productivity of union labor. Building trades union leaders are trying to combat this fiction through agreements easing work rules and practices and by emphasizing to craftsmen the urgency of giving a fair day's work for a fair day's pay."24

How it was possible or why it was necessary to combat a "fiction" became even more mysterious when President Raftery tried to convince members that increasing productivity no longer imposed physical or economic hardships on them:

Productivity is sometimes considered a dirty word among workers. They remember what it was like to be forced to work harder and faster, without just compensation. And, often, increased productivity meant less hours of work and fewer jobs.

But now the situation is different. We can increase productivity simply by working more efficiently. And...there is more than enough work for everyone, if only we make some adjustments in our priorities. We must recognize that long-range gains in work opportunities are worth a few short-term sacrifices.25

Regardless of the correctness of his analysis, by 1974, Raftery declared at the union's general convention that "We Organize or We Perish."26

The clarity and urgency with which the president of the Electricians' union (IBEW) presented the threat of the expanding antiunion sector would be hard to surpass. In May 1970, Charles Pillard published an editorial in the union journal conveying a warning from the NCA to the BCTD that "if the old head-in-sand policy regarding the very real problems facing the building trades unions are [sic] continued, disastrous days lie ahead for organized tradesmen." The billions of dollars of construction lost to nonunion firms included "all types of industrial and manufacturing projects which they could not touch previously because

24"Winning the Battle Against Non-Union Contractors," 87 (2) PATJ 16-17 at 16 (Feb. 1973).


26"We Organize or We Perish," 88 (9) PATJ 14-17 (Sept. 1974). See also "Redirecting Our Organizing Efforts," 89 (4) PATJ 2-3 (Apr. 1975).
of...manpower availability, engineering, designing, and lack of know-how and good supervision.” Nonunion contractors had not only for the first time been awarded contracts to build nuclear power plants, but were also “capable of choosing and taking almost any job anywhere, because the union contractors cannot compete with them.” Nor were “‘scabby’ wages...the total reason”: unionists could compensate for their higher wages by doing better work in less time—but not if they continued to drive owners away with strikes and jurisdictional disputes. Pillard’s comments culminated in this warning: “What is even more shocking and stunning was the message that these large contractors would not hesitate, if forced, to go open-shop to stay in business. And, they certainly intend to stay in business!”

Later the IBEW published the most ruthlessly honest account of the failings of a construction union when it commissioned a history by a labor historian. The chapter on construction electricians recounted that the union’s members had gravitated toward large industrial projects where it was “[f]ully in control of the skilled work force”; but by abandoning commercial and residential work, they opened a niche for nonunion contractors. Despite warnings from the National Electrical Contractors Association (NECA) as early as 1954, full-employment through the 1960s blinded members to the threat: “Confident that they could never price themselves out of the market as long as their unions restricted access to the trade, many construction workers practiced what came to be called country-club unionism, for their locals still refused to admit new members or even train apprentices to keep up with industry demand.” With locals “at the peak of their bargaining power in the 1960s...they asserted their autonomous rights whenever the international tried to rein them in.” But this “celebration of local autonomy and raw economic power brought unintended results” as the forces that coalesced into the Roundtable enabled nonunion contractors to “restructure the process of construction work itself, undermining the union concept of craft by breaking down various trades into ‘sub-specialties’ and then hiring semiskilled men and helpers to work under the direction of a few skilled mechanics. By the mid-1970s, construction unions as a whole had lost their “monopoly on skilled craftsmen....” After the fact, the restructuring made it clear that members’ “economic strength...had always been tied to the construction industry’s decentralized structure and not to their militant autonomy....”

---


29Grace Palladino, Dreams of Dignity, Workers of Vision: A History of the International Brotherhood of Electrical Workers 258, 259, 261, 262, 263 (1991). Nevertheless, building trades unions were able to hold on to their monopoly much longer than Friedrich Engels would have
Operating Engineers’ president Hunter Wharton bluntly told the 1,000 delegates at the union’s 1972 convention that construction workers’ failure to increase their productivity in tandem with their wage increases had resulted in a shift to nonunion operations. Consequently, unions could “...no longer demand...standby labor on the job so as to create a job for those who have no desire to work for their pay.” Wharton’s remarks were inserted into the Congressional Record after they had been reported in U.S. News & World Report. Bechtel’s representative at the Roundtable referred to Wharton’s admission that the building trades unions had all “reached beyond our grasp” as evidence that open-shop competition was having an effect.

Nor did construction workers lack for outside voices warning of disastrous consequences if they maintained their policies. When the Secretary of Housing, George Romney, addressed the national legislative conference of the BCTD in May 1969, the 3,000 delegates cheered his admonition that their wage increases since 1962 were “four and five times higher” than any other union’s. They then jeered him for urging them to end restrictive work practices and reform apprenticeship programs. Over the crescendo of boos, Romney warned: “There’s nothing more vulnerable than entrenched success.”

Editorially The New York Times rebuked the “monopolistic unions” for their “mocking reception” of Romney, and warned them that they “lived in a private world of their own,” in which they negotiated wage increases twice as large as the minimum wage. And although the newspaper traced the unions’ “arrogance” to “their serene assurance that there is no ceiling to the capacity of their contractors to pass on to the consumer increased costs for housing, factories, office buildings and public projects,” it did concede that government calls for wage restraint would be ignored as long as living costs continued to rise.

 imagined possible. In 1885 he wrote to the German socialist leader August Bebel: “You people believe perhaps that any worker in the branch can join up with the machinists, carpenters, masons, etc. without further ado? Not at all. Whoever wants to join has to have been attached as an apprentice for a series of years (mostly 7) to a worker who belongs to the union. ... This lasted until 1848. Since then, however, the colossal upswing in industry has produced a class of workers just as numerous as or even more numerous than the ‘skilled’ workers of the trade unions, who do as much work or even more but can never become members.... But do you think that the unions would ever consider doing away with all this old rot? Not in the least. ... The fools want to reform society according to their own views, but do not want to reform themselves in accord with society’s development. They stick to their traditional superstition which only injures them instead of getting rid of this stuff, thus doubling their numbers and power and in fact again becoming what they remain less and less, namely unions of all workers of the trade against the capitalists.” Letter from Friedrich Engels to August Bebel, Oct. 28, 1885, in Karl Marx & Friedrich Engels, 36 Werke 377 (1967).

33“Romney Jeered at Union Parley,” NYT, May 13, 1969, at 42, col. 3.
Significantly, the *Times* adumbrated no role for private capital groups to confront construction unions' "extortionate" and "insatiable" demands; instead, it despaired of the political parties' ever taking "the risk of alienating these A.F.L.-C.I.O. power centers" and using federal, state, or local government construction contracting counterstrength to assert the public interest.35

At the 1971 BCTD convention, union leaders conceded that the expansion of nonunion contractors and recession were forcing unions to raise productivity.36 The next year, the BCTD focused on the growing problem in the South and Southwest, but by 1973, the shrinkage of the union sector had become so patent that the BCTD approved a four-cent per capita tax to finance a program to combat "open shop" contractors. Not included in this campaign but coordinated with it was the execution of a new national work rules agreement with the NCA designed to make union contractors "more competitive with open-shop firms."37

To impress upon construction users that unions would not acquiesce in the shift to nonunion contractors, in 1972 the Philadelphia Building & Construction Trades Council organized picketing, mass protests, and consumer boycotts when the Sheraton Hotel chain, a subsidiary of International Telephone and Telegraph, hired the nonunion Altemose Construction Company to build a suburban hotel.38 The dispute reached a high point on June 5, 1972, when a thousand people engaged in "a virtual military assault" on the Valley Forge site, inducing the state supreme court to lament that the "violence and destruction reflect[] little improvement in the state of labor relations during the three quarters of a century since the Pullman and Homestead strikes."39 The violence and lengthy litigation surrounding the project moved the struggle between unions and the antiunion employers to a new stage of direct confrontation, prompting open-shop backers to accuse unions of resorting to violence when the market had adjudged them failures.40

Despite the avalanche of warnings from union leaders about the increasingly urgent need to counteract the growing antiunion sector, building tradesmen may have left the impression of being more interested in assaulting than organizing their nonunion competitors. This neglect was congruent with the

extraordinary complacence displayed by the leadership of the AFL-CIO. As background for a report examining why union membership was not growing at the same rate as the labor force,\footnote{"Is Labor Movement Losing Ground?" \textit{USNWR}, Feb. 21, 1972, at 22-26.} \textit{U.S. News \\& World Report} interviewed president George Meany at great length early in 1972. He sliced the Gordian knot by challenging the legitimacy of the question: he neither knew nor cared because union density had never been so high in the United States as in Western Europe. Indeed, he did “not necessarily” even prefer a higher proportion because “[w]e’ve done quite well without it” and “made tremendous strides...under Gompers, and his percentage of the labor force was very tiny compared with what we’ve got now.” Meany then encapsulated the cavalier laisser-faire attitude toward organization that soon came to haunt both the building trades unions and the entire labor movement.

Why should we worry about organizing groups of people who do not appear to want to be organized? If they prefer to have others speak for them and make the decisions which affect their lives without effective participation on their part, that is their right. ...

Frankly, I used to worry about membership, about the size of the membership. But quite a few years ago I just stopped worrying about it, because to me it just doesn’t make any difference.\footnote{"U.S. Needs ‘30,000 New Jobs a Week Just to Break Even.‘" \textit{USNWR}, Feb. 21, 1972, at 27-34 at 27-28.}

The Indochina boom created highly favorable economic conditions for unions firmly in control of labor markets. Despite the information with which international union and NCA presidents repeatedly confronted members about the untoward consequences for the union sector of unabated wage increases, national union leaders, who regarded locals’ tactics as counterproductive “guerilla unionism,”\footnote{Royal Montgomery, \textit{Industrial Relations in the Chicago Building Trades} 41 (1927).} proved incapable, in the teeth of atomized collective bargaining, to restrain their members. Long experience with a highly cyclical industry had apparently taught skilled construction workers that since neither employers nor owners practiced moderation at the height of prosperity, they too should exert their full leverage before the next depression phase of the building cycle inevitably disemployed them. The unions were “riding so high” in terms of labor market control and capacity to strike successfully in the late 1960s and early 1970s that, in the view of some management-side labor relations officials, even with the benefit of hindsight, no imaginable institutional arrangement realistically could have induced them to exercise self-restraint.\footnote{Telephone interview with Kenneth Hedman, vice president, labor relations, Bechtel Corp., San Francisco (Mar. 12, 1999).}