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Stenographic Transcript Of

HEARINGS

Before The

COMMITTEE ON EDUCATION AND LABOR

HOUSE OF REPRESENTATIVES

H. R. 9486 AND H. R. 9500

THE CONSTRUCTION INDUSTRY STABILIZATION ACT OF 1975

Full Committee Hearing

Washington, D. C.

September 11, 1975

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TABLE OF CONTENTS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

House of Representatives, Washington, D. C.
Committee on Education and Labor, September 11, 1975
Labor-Management Relation Sub-
committee,

STATEMENT OF:	P A G E
Harry P. Taylor, President , Council of Construction Employers, Inc	2
Lawrence E. Rooney, Associated General Contractors of America, accompanied by: S. Peter Volpe and James M.	15
Philip Abrams, President, Associated Builders and Contractors, accompanied by: John Trimmer and William B. Barton	28
Robert R. Arquilla, Vice-President and Treasurer, National Assnication of Home Builders, accompanied by: Carl A. S. Coan, and John Reilly	37
Robert J. Connerton, General Counsel, Laborers International Union, and Jack Curran	45



H. R. 9486 AND H. R. 9500

THE CONSTRUCTION INDUSTRY STABILIZATION ACT OF 1975

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THURSDAY, SEPTEMBER 11, 1975

- - -

House of Representatives

Committee on Education and Labor
Labor-Management Relations Subcommittee
Washington, D. C.

The committee met at 2:00 p.m., pursuant to recess, in room 2175, Rayburn House Office Building, Hon. Frank Thompson, presiding.

Present: Representatives Thompson, Ashbrook, Pressler, and Hawkins, and Cornell.

Mr. Thompson. The committee will come to order.

Our first witness this afternoon is Mr. Harry P. Taylor, President of the Council of Construction Employers, Inc.

Please come forward, Mr. Taylor, and make yourself at home.

Without objection, your statement will be entered in the record in full. You may read it or summarize it if you wish.

KXXX

1 STATEMENT OF HARRY P. TAYLOR, PRESIDENT
2 COUNCIL OF CONSTRUCTION EMPLOYERS, INC.

3 Mr. Taylor. If I may, I would like to read it. It is
4 reasonably short.

5 My name is Harry P. Taylor. I am President of the Council
6 of Construction Employers, Inc. The Council is a non-profit
7 organization, having as its members twelve national employer
8 associations in the construction industry. They are:

9 Associated General Contractors of America, Inc.; Ceilings &
10 Interior Systems Contractors Association; Gypsum Drywall
11 Contractors International; Mason Contractors Association of
12 America; Mechanical Contractors Association of America, Inc.;;
13 National Association of Home Builders; National Association of
14 Plumbing-Heating-Cooling Contractors; National Electrical
15 Contractors Association; National Insulation Contractors
16 Association; National Roofing Contractors Association; Painting
17 and Decorating Contractors of America, and Sheet Metal and
18 Air Conditioning Contractors National Association, Inc.

19 Mr. Chairman, at this point I would like to make an
20 oral statement I was not aware of when I submitted this
21 statement yesterday, the written statement.

22 Associated General Contractors of America prefer to present
23 their own position on this bill, and the Sheet Metal and Air
24 Conditioning Contractors National Association opposes the bill,
25 which is a different position than the Council takes. I make



1 that differentiation at this time.

2 Mr. Thompson. I am sorry to hear that about my friends,
3 Sheet Metal people, they are very fine people.

4 Mr. Taylor. Council member associations have a combined
5 membership of 77,000 contractor employers in the construction
6 industry employing approximately 3,500,000 construction
7 workers.

8 All of our member associations have chapters or contractor
9 members who not only employ members of organized labor in the
10 construction industry, but negotiate collective bargaining
11 agreements with them as well. Therefore, they are vitally
12 concerned with any legislation having an impact on collective
13 bargaining and related matters. We are probably the most
14 directly concerned management group to appear before this
15 committee.

16 Our Council favors passage of H. R. 9500. When I
17 appeared before your subcommittee approximately two months ago
18 in opposition to proposed common-situs picketing legislation, I
19 stated that the entire framework of collective bargaining in
20 the construction industry is in need of review. Although
21 H.R. 9500 falls somewhat short of that which we would like and
22 believe is needed, we do believe that it would provide a
23 mechanism through which the construction industry, both labor
24 and management, can begin to examine and deal with its
25 problems with a minimum of Government interference.

1 However, we remain unalterably opposed to common-situs
2 picketing legislation for reasons stated earlier, and the
3 proposed legislation being discussed here today, if passed,
4 would in no way diminish our opposition to common-situs
5 picketing. We view them as two completely separate and
6 distinct matters.

7 To understand the need for the proposed legislation, one
8 need only to examine the history of collective bargaining in the
9 construction industry over the past half-dozen years. As the
10 committee well knows, there are in existence literally
11 thousands of agreements between local building trades unions
12 and local contractor associations. Each settlement, in varying
13 degrees, of course, directly or indirectly, affects others.

14 In 1969 and 1970, negotiated wage and fringe benefit
15 increases zoomed to a national average of 15 to 18 percent.
16 Some say the figure reached 22 percent in the quarter immediately
17 preceding controls. Costly, non-productive working conditions
18 were negotiated in ever-increasing numbers. Productivity de-
19 creased. One out of every three negotiations resulted in a
20 strike. Traditional relationships between the trades were
21 grossly distorted and leap-frog bargaining was running rampant.
22 The entire economy of the country was being led into inflation
23 by its largest industry -- construction.

24 As a result, Government controls were imposed in 1971 on
25 collective bargaining in the construction industry through

1 creation of the craft boards and the Construction Industry
2 Stabilization Committee. Those controls were in effect for
3 three years -- a record length of time.

4 During controls, the average increase diminished to
5 about 11 percent in 1971, 5.6 percent in 1972, and 5.3 percent
6 in 1973. Strikes were reduced to about one-third of the 1970
7 level. New, costly working conditions were disallowed.
8 Some previously existing ones were removed. In some cases,
9 constructive restructuring of bargaining areas was
10 accomplished. In general, traditional relationships among the
11 trades were restored.

12 But the public and the Congress had become so dis-
13 enchanted with controls in general that they were allowed to
14 expire on April 30th, 1974 -- including wage controls in
15 construction.

16 Because May 1 is the most popular anniversary date for
17 labor agreements in the construction industry, and because
18 June 1 is the second most popular anniversary date, within
19 just 31 short days after the removal of controls on April 30,
20 1974, the bulk of the 1974 labor agreement increases went into
21 effect.

22 Some of the new agreements not only provided for
23 substantial increases but also contained so-called catch-ups
24 restoring much if not all of previously negotiated rates
25 disallowed by the CISC. Some such settlements amounted to

1 increases of upwards of 20 percent and set the stage for
2 leap-frog bargaining to begin all over again, both between
3 other trades in the area and the same trade in other areas.
4 Strikes tripled. Costly working conditions again began to
5 find their way into settlements.

6 The same situation persisted through the 1975 bargaining
7 season, notwithstanding the horrendous unemployment rate in the
8 construction industry, and the ever-increasing inability for
9 those contractors who employ the union building trades to
10 obtain work. Although the majority in both labor and
11 management are aware that economic suicide is being committed,
12 little can be done about it without remedial legislation.

13 It is recognized that the proposed legislation would in
14 no way impose wage controls or compulsory arbitration on the
15 negotiating parties. Nevertheless, it would permit national
16 labor and management leaders, together with representatives
17 of the public, to attempt to persuade in a limited number of
18 cases, local negotiators from entering into inflationary,
19 precedent-setting agreements. Equally important, the
20 proposed legislation would provide much needed mechanism for
21 the encouragement of disputes-settling machinery, restructuring
22 of bargaining areas where appropriate, stability of employment,
23 and the training of skilled manpower when and where needed.

24 It is our assumption and understanding that the 60 days
25 mentioned in Section 4a of the bill is the 60-day period

1 immediately preceding the expiration date of the agreement
2 and that the 90-day period mentioned in Sections 5 and 6 of
3 the bill is intended to be the last 60 days of the agreement
4 and the next subsequent 30 days. We believe that the language
5 in the bill needs clarification on these points.

6 The Council of Construction Employers respectfully urges
7 the early passage of H. R. 9500.

8 Thank you for hearing our views on this most important
9 matter.

10 Mr. Thompson. I thank you very much for a constructive
11 and candid statement. Of course, I quite understand, even
12 though I disagree, your position with respect to the so-called
13 common situs picketing legislation which is not a part of
14 this legislation.

15 As a matter of fact, for the benefit of those interested,
16 there was a proposal, or there were a number of proposals to
17 put the two pieces of legislation together. From my point of
18 view as an advocate of both pieces of legislation, that may
19 have been easier in pragmatic legislative realities, but I
20 insisted that they be separated, and that they stand or fall
21 separately, which they will do. H. R. 5900 is no longer an
22 issue in this body, it having passed this body and is in the
23 hands of the other body, and I assume will reach the
24 President's desk and his pen will give us the answer to that
25 question. So I do appreciate you isolating the two.

1 As you say on page 2 of your statement, "We view them as
2 two completely separate and distinct matters", and indeed
3 they are since one is an amendment to 8(b)4 of the Management
4 Relations Act, and H.R. 5900, except for oblique non-
5 parliamentary reference to the National Labor Relations Act, is
6 a new Act.

7 I am not going to comment any further except to say that
8 on page 4 of your statement, in your bottom paragraph, where
9 you assert your assumption and understanding that the 60 days
10 mentioned in 4(a) of the bill is the 60-day period immediately
11 preceding the expiration date of the agreement. You are
12 exactly correct. The 90-day period in Sections 5 and 6 is
13 intended to be the last 60-days of the agreement and the
14 subsequent 30 days. There again you are correct. We
15 recognize this. You were in the audience yesterday, and we
16 believe that with a relatively simply change in the language
17 we can make clear to everyone what you have stated accurately.

18 Mr. Taylor. Mr. Chairman, may I interrupt on that point?

19 Mr. Thompson. Yes.

20 Mr. Taylor. I gave the Secretary of Labor and Mr. Sherman
21 who accompanied Mr. Georgina, following the testimony
22 yesterday, some suggested language that we think would accom-
23 plish that.

24 Mr. Thompson. I assure you we will consider that. It
25 is a constructive suggestion, and we will no doubt amend the

1 bill so it is perfectly clear. It is a highly technical
2 aspect, easily understandable to those very familiar with the
3 legislation but ---

4 Mr. Taylor. I just hope it gets in the bill and not just
5 rely on legislative intent.

6 Mr. Thompson. It will be in the bill and supported by
7 legislative history, we are making that now and will include
8 it in the report.

9 I repeat I am sorry the sheet metal contractors don't
10 agree, but that is their right. Notwithstanding their
11 disagreement, I found them to be very constructive and nice and
12 hospitable opponents from time to time, but I do really think
13 they are a fine organization.

14 I had the honor of being invited to address them some
15 time ago and for persons, or for a group who are in fundamental
16 disagreement with my view, I found them remarkably hospitable
17 and articulate. They made their point very well, but in such
18 a way that I think we both enjoyed the exchange.

19 Mr. Taylor. They are a good member of ours, they just
20 disagree.

21 Mr. Thompson. I understand that. They disagree for
22 a rational and well-stated reason.

23 Mr. Ashbrook.

24 Mr. Ashbrook. In referring to this array the Chairman
25 referred to, you have been contacted by two. Is it in the



1 back of your mind you might yet be contacted by others, or
2 are you positive in your mind you speak for them in saying
3 you are for it?

4 Mr. Taylor. We had on August 22 a board of directors
5 meeting and at that time it was my understanding that all of
6 our people approved the concept and we did not have of course
7 the language of the bill.

8 Mr. Ashbrook. That in itself is an interesting point.
9 Over on the House Floor we often heard it said when dealing
10 with the Executive -- I remember Charlie Halleck often
11 lamenting the President overseas often made a deal and we would
12 have to okay it. He said he would rather be brought in on the
13 takeoff rather than the landing. Do you feel you were
14 brought in on the takeoff or the landing?

15 Mr. Taylor. I think we were brought in on the takeoff in
16 the last several years. Many of us participated as management
17 leaders of CISC or craftwork. On the exact language of the
18 bill, I feel I am making a landing.

19 Mr. Ashbrook. Was your seat belt pretty tight when you
20 came in?

21 Mr. Taylor. I think it was pretty tight.

22 Mr. Ashbrook. On page 2 you refer to the fact 9500, to
23 use your language, "falls somewhat short of what we would like
24 and believe is needed." What was basically left out of the
25 bill, or what was put in the bill you don't like? Where does

1 it fall short? Is this at the beginning of the takeoff, or
2 were you just given the package at the landing?

3 Mr. Taylor. It doesn't fall short of what we eventually
4 agreed on in concept.

5 In concept, of course, we would like such things as what
6 has been commonly called morally important certification
7 language. I will be happy to explain what I believe by that
8 if anyone doesn't understand. We don't like the idea there
9 is a determination data in there. We thought possibly
10 something could have been done about insuring ratification of
11 agreements once negotiated. Some of our people, but not all,
12 would have liked to see common expiration dates pinned down.
13 We don't like the idea of retroactivity in pay once an
14 agreement has been settled.

15 I could list you 150 things after four years in this
16 industry that I could think of that would be helpful to
17 management and, of course, management would like to have,
18 however, I think we are viewing this at the present time in
19 a more realistic way. We have great doubts as to how far this
20 bill would go if everything we would like could be put in it.

21 Mr. Ashbrook. That is probably the understatement of
22 the year.

23 Mr. Taylor. We would like a bill that takes in our view
24 a step in the right direction.

25 Mr. Thompson. I resemble that remark.

1 Mr. Ashbrook. But you do think this does take a step in
2 the right direction?

3 Mr. Taylor. I do.

4 Mr. Ashbrook. You say you are maintaining your
5 separate position on situs picketing although 9500 and 9486
6 are separate. I guess what you are advocating is that
7 H.R. 9500 become law and 9486 does not become law?

8 Mr. Taylor. That is my position.

9 Mr. Ashbrook. You don't have much hope on that, do
10 you?

11 Mr. Taylor. We can hope.

12 Mr. Ashbrook. One last question, you start sounding a
13 little like Secretary Dunlop on page 4.

14 Mr. Thompson. You are talking of Professor Dulop?

15 Mr. Ashbrook. Yes, what was it yesterday the dynamic
16 interaction and power of persuasion.

17 Mr. Thompson. I thought I was listening to the
18 "Mahareeshi".

19 Mr. Ashbrook. You say this bill "would permit national
20 labor and management leaders, together with representatives
21 of the public to attempt to persuade in a limited number of
22 cases, local negotiators from entering into inflationary
23 precedent-setting agreements."

24 As I look at the bill I kind of wonder, do you really
25 think that is going to happen, and how?

1 Mr. Taylor. Let's not overemphasize. I don't say it will
2 do that in every case, but I think it is amazing how many
3 times, when given the opportunity, especially before a strike,
4 to sit down together with all parties at the local and the
5 national levels and the thing can be worked out. It has been
6 done time and time again, and I have participated in those.
7 Many times you don't get a shot at it now.

8 Mr. Ashbrook. Time and time again I listen to you
9 witnesses and you sound like it happens the other way most
10 of the time.

11 Mr. Taylor. It happens time and time again when you
12 consider the many thousands of agreements in the country that
13 come up each year. A lot of them are that way now but a lot
14 of them don't get to that level without strikes.

15 I can tell you many times, and some this year occurred
16 because the international didn't have the exact meaning of
17 the strike at the local level. This would certainly smoke
18 that kind of situation out.

19 Mr. Ashbrook. You are saying you can generalize from
20 your experience more often than not where management and
21 labor leaders get together, they are more reasonable?

22 Mr. Taylor. I certainly think so.

23 Mr. Ashbrook. That must be the hope that Mr. Dunlop
24 wanted the rest of us to have. In that spirit, I have no more
25 questions.



1 Mr. Thompson. Thank you very much.

2 With respect to the agreements, I don't know whether --
3 there is no way of telling yet whether the employees with
4 whom I have talked or the employers with whom I have talked
5 are right or not, I suppose history will show that. But if
6 there is to be a degree of stabilization in the industry, not-
7 withstanding that perhaps all of us would like variations on
8 this theme, this would seem to me a very safe, as you put it,
9 step in the right direction.

10 The employees in particular seem to me to be rather
11 surprisingly anxious to bring about that stability. That
12 might be because of the tremendous recession in the industry
13 and the tremendous amount of unemployment. I think they would
14 rather work than argue, and when they do argue, argue as
15 reasonably as they can at the highest possible levels in the
16 hope there will be fewer conflicts.

17 I think any reasonable person must agree that there have
18 been too many strikes in the industry and many of which have
19 been unreasonably caused by either one side or the other, and
20 if we can bring a degree of stabilization I think it will help
21 a lot.

22 Thank you very much for your testimony and your suggested
23 amendment, which I reassure you will be considered.
24
25

1 Mr. Thompson. Our next witness is Mr. Laurence P. Rooney.
2 representing the Associated General Contractors of America.

3 Mr. Rooney, would you identify the gentlemen with you?

4 STATEMENT OF LAURENCE F. ROONEY, ASSOCIATED GENERAL

XXXX 5 CONTRACTORS OF AMERICA, ACCOMPANIED BY: S. PETER VOLPE,
6 PRESIDENT, VOLPE CONSTRUCTION COMPANY, MALDEN, MASSACHUSETTS,

7 AND JAMES M. SPROUSE, EXECUTIVE VICE-PRESIDENT,

8 ASSOCIATION OF GENERAL CONTRACTORS OF AMERICA

9 Mr. Rooney. On my left is Mr. Volpe, a member of our
10 Association, and on my right, Mr. Sprouse, Executive
11 Vice-President of the Association.

12 Mr. Thompson. We had some advance notice of your
13 attitude yesterday in the form of a press release.

14 Without objection your statement in full will be made a
15 part of the record at this point, or you may read it, or
16 summarize. You may do what you wish.

17 May I ask, Mr. Volpe -- a rather well-known name, in
18 particular in Massachusetts -- are you related to the former
19 Secretary?

20 Mr. Volpe. Yes. We have the same father and mother.

21 Mr. Thompson. Would you give my best regards to him?

22 Mr. Volpe. I will be glad to.

23 Mr. Thompson. You don't have any major labor management
24 conflict with him, I assume.

25 Mr. Rooney, My name is Lawrence F. Rooney. I am

1 President of the Manhattan Construction Company, Muskogee,
2 Oklahoma. I am a contractor operating with collective
3 bargaining agreements. I am accompanied today by S. Peter
4 Volpe, President of the Volpe Construction Company, Malden,
5 Massachusetts, a building contractor operating with collective
6 bargaining agreements and James M. Sprouse, Executive
7 Vice-President of the association. Mr. Volpe currently serves
8 as Vice-President of the AGC and both of us are members of the
9 Executive Committee. Mr. Volpe and Mr. Sprouse are, in
10 addition, members of the Collective Bargaining Committee in
11 Construction.

12 Yesterday you heard the distinguished Secretary of Labor
13 explain in detail the deplorable conditions currently existing
14 in the collective bargaining process in construction. We are
15 acutely aware of those conditions because we, like many others,
16 suffer from them. We agree with the Secretary of Labor that
17 collective bargaining reform legislation is absolutely necessary
18 for the continuation and, I fear, the survival of the
19 construction industry as we know it.

20 In our opinion any such legislation, to be helpful and
21 successful, must contain the following provisions:

22 First, any bill developed for these purposes should
23 contain no automatic expiration date. If such legislation is
24 needed at all its need should not be terminable any more than
25 the Taft-Hartley or the Landrum-Griffin Acts are terminable.

1 Amendable or repealable, yes, terminable, no.

2 Second, such legislation should be for the single purpose
3 of improving the collective bargaining relationships between
4 construction unions and construction contractors who employ
5 workers represented by those unions. Lawyers and the courts
6 will certainly interpret the legal intent of this legislation
7 for years, and to preclude any future possibility that the
8 influence of the Construction Industry Collective Bargaining
9 Committee may become lost along the way, or that the courts
10 may have to decide the Congressional intent of the legislation,
11 we suggest that a sub-section be added to Section 2. The new
12 subsection would read as follows:

13 Nothing contained in this Act shall apply to construction
14 contractors when operating without collective bargaining
15 agreements.

16 One of our concerns in this area is that those contractors
17 who have elected to operate two companies, one without
18 collective bargaining agreements as well as one with collective
19 bargaining agreements, could suffer by an international
20 requiring, prior to approving an agreement, that a clause be
21 written into his collective bargaining agreement that he could
22 not operate his other company on a non-union basis.

23 Third, collective bargaining agreements, the negotiation
24 of which would be subject to such legislation, should have a
25 common expiration date, determined by the Construction Industry

7 Collective Bargaining Committee. With all agreements expiring
2 on the same date, there would then be no economic increases
3 which union negotiators could establish as a floor for their
4 economic demands without regard to the state of the economy.

5 Fourth, all wages, fringe benefits and other monetary
6 provisions of collective bargaining agreements should become
7 effective on or after the date agreement is reached, and there
8 should be no retroactive payments. If retroactivity were
9 prohibited by law it would serve as a deterrent to those unions
10 which refuse to bargain seriously until a pattern of settlements
11 is developed in other negotiations in the area. This sort of
12 delaying tactic often results in strikes, because such unions
13 attempt to secure higher settlements than contractors have
14 reached with other unions thereby endeavoring to disturb
15 historic relationships among the unions.

16 Fifth, when a collective bargaining settlement requires
17 ratification by the membership of the labor organization,
18 voting should be limited to those members actively employed
19 by the employers involved. Some local unions represent workers
20 employed under several different collective bargaining
21 agreements. To permit union members who will not be working
22 under the provisions of the agreement presented for modifi-
23 cation to vote results in the rejection of too many agreements
24 worked out in good faith by negotiating committees. Those who
25 vote on a proposed agreement which will not affect them are

1 likely to vote to reject, since they have nothing to lose.
2 In fact, they may gain by pushing up the ultimate settlement
3 since by so doing it is likely they will receive a higher
4 increase than they otherwise would in the next negotiation of
5 the agreement under which they will work.

6 Sixth, multi-employer bargaining units should have the
7 same status under law as unions enjoy which is that the
8 multi-employer bargaining units be recognized as exclusive
9 bargaining agents for all employers who will employ, on like
10 work, men represented by the union. Presently an employer not
11 a member of the multi-employer bargaining group may enter into
12 an interim short form agreement which typically provides that
13 the employer will pay, on a retroactive basis, any economic
14 increase negotiated by the recognized multi-employer bargaining
15 group. Under such agreement the employer continues to employ
16 workmen represented by the union while the union is on strike
17 against members of the multi-employer bargaining group. Other
18 contractors working under national and project agreements may
19 elect to follow the same course of action. Interim agreements,
20 national agreements and project agreements prejudice the
21 ability of the multi-employer bargaining group to reach a
22 reasonable settlement with the union. Such agreements should
23 be barred.

24 Seventh, the Construction Industry Collective Bargaining
25 Committee should automatically take jurisdiction over every

1 negotiation for which they have received notice. The
2 interrelation among negotiations in our industry requires that
3 the provisions of the Act come into play in each negotiation
4 so that unstabilizing situations may be handled as they
5 develop.

6 Eighth, the Construction Industry Collective Bargaining
7 Committee, in place of the international union involved, should
8 approve or reject all collective bargaining agreements subject
9 to its jurisdiction. The rejection of any agreements should be
10 only because a provision or provisions would increase costs to
11 a degree which would prove unstabilizing. This provision would
12 provide an opportunity for experienced leaders representing
13 labor, management and the public to review agreements reached.
14 A broad based review would, we believe, prove most beneficial
15 to the industry and to our customers.

16 Ninth, the Act should set forth in clear language the
17 responsibilities of the labor and management national
18 organizations when they are called upon by the Committee to
19 provide effective mediation and conciliation services. As
20 Secretary of Labor Dunlop pointed out in his testimony, there
21 have been several plans put forth over the years which depended
22 upon voluntary action on the part of international labor
23 organizations and national employer associations to provide
24 services to assist in making collective bargaining more
25 effective. These plans failed, and any plan which does not

1 require, by its terms, responsible action also will fail.

2 During the development of the legislation which you are
3 considering, representatives of the AGC held several informal
4 discussions with the Secretary of Labor on the subject. These
5 were general discussions dealing with the philosophy and
6 principles of the proposal, and nothing at that time was in
7 writing, but until these were developed into actual
8 legislative language there was no way in which our governing
9 body could give them proper consideration.

10 In meetings of the Collective Bargaining Committee in
11 Construction, where this subject was discussed on several
12 occasions, AGC representatives stated that while they supported
13 the need for corrective legislation no commitment could be
14 made on behalf of the association until we saw the language
15 of the bill.

16 On August 28 we advised the Secretary that unless we
17 received the actual language of the bill with a reasonable
18 length of time in which to give it the consideration it
19 certainly would deserve, we could not actively support the
20 legislation. On September 3 we were furnished a summary of
21 the bill.

22 We immediately held a meeting of our national officers,
23 together with our labor counsel, and following that meeting
24 AGC President John N. Matich said "based on the summary, the
25 legislation appears to be a step forward, but until we have the

1 opportunity to examine the actual bill in detail we are not in
2 a position to commit ourselves to support it."

3 We received copies of the bill on the afternoon of
4 Friday, September 5. We mailed copies to our Executive
5 Committee that day and scheduled a meeting of the committee
6 for yesterday afternoon.

7 Three working days is not sufficient time for us to
8 consult with our members and counsel, analyze the bill in
9 detail, hold a meeting of our Executive Committee, establish a
10 position and prepare testimony on an issue of this importance
11 to our industry. It was apparent to our Executive Committee,
12 however, even after only a cursory examination, that the bill
13 does not contain the provisions which we have mentioned.

14 As a responsible association we always are ready, willing,
15 and indeed, eager to meet with the Secretary of Labor, the
16 leaders of organized labor and any other persons of
17 responsibility to cooperatively develop truly meaningful
18 legislation to improve the collective bargaining process in
19 construction. The short length of time which we have had this
20 legislation has not permitted this.

21 This is an issue which certainly deserves due deliberation,
22 thorough study and thoughtful consideration by all affected
23 parties. The bill you are considering has not had those
24 benefits, which leads us to question the necessity for the
25 extremely rapid movement of the bill.

1 What is there about this bill that is so urgent? This
2 Committee has long had the reputation for giving to each
3 proposal which comes before it the due daliberation, thorough
4 study and thoughtful consideration which I mentioned earlier.
5 I urge you to do so now and to consider the suggestions we
6 have made as Committee amendments to the bill.

7 Mr. Chairman, for the reasons we have outlined here,
8 principally the short period of time we have had to give
9 consideration to this proposal and our very daep concern over
10 the rapidity of the legislative process in this case, we
11 cannot support the legislation in its present form.

12 Thank you.

13 Mr. Thompson. Thank you, Mr. Rooney.

14 I understand the pressures, shall we say, of time as you
15 recite them here on receipt and your reproducing copies of
16 the bill, mailing them out, trying to convene, and so on.
17 The parameters of this problem, of course, have been
18 known for a long, long time, but admittedly the specific
19 legislative proposals haven't.

20 Whether your suggestions, many of which I consider to be
21 very constructive, will be included in the bill reported, if
22 one is reported by the committee, I don't know. I can assure
23 you, however, that, except for legislative business, which has
24 interrupted our oversight hearings relating to the National
25 Labor Relations Board, which involve discussion of a number of

1 specific legislative issues, we will get to some of the
2 suggestions and consider them carefully which you have made in
3 the past.

4 For instance, your suggestion No. 6 on page 4 relating
5 to multi-employer bargaining units has been before the committee
6 in the past and, as a matter of fact, I introduced legislation
7 or considered certainly very carefully legislation which would
8 bring this about. It would, of course, involve elections,
9 I would presume, among the respective employees in any
10 particular industry where a bargaining unit could be determined
11 by a majority vote and the majority will prevail.

12 I certainly don't see anything terribly difficult about
13 that, including perhaps the antitrust laws, because I don't
14 think in a collective bargaining situation among employers
15 or employees that it would be impossible to have such a
16 situation.

17 I have no question, I simply would comment that I am
18 indeed pleased by the tenor and the tone of this statement
19 even though I don't agree with its conclusion. I understand
20 your reasons. I find it much more pleasant than I did the
21 release which arrived here yesterday.

22 Mr. Ashbrook.

23 Mr. Ashbrook. Thank you, Mr. Chairman.

24 I noted when I was listening to Mr. Taylor's testimony
25 he kept referring to concept, they had been studying the

1 concept, he received the concept, very little concrete. In
2 your testimony, you are talking a little more specifically.
3 You evidently had the concept but not the language, is that
4 right?

5 Mr. Rooney. Yes.

6 Mr. Ashbrook. I guess the ---

7 Mr. Rooney. Those hard data, that is the chronological
8 description of the reception of the hard data, as you might say.

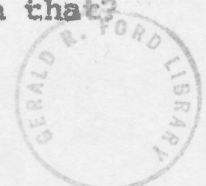
9 Mr. Ashbrook. I noted the dates, knowing the problems
10 with the mail, I am surprised you got anything back.

11 Mr. Rooney. As a matter of fact, they worked pretty well
12 for once.

13 Mr. Thompson. You mean no postage due, or anything like
14 that?

15 Mr. Rooney. That is right.

16 Mr. Ashbrook. In point 8 you say the CICBC in place of
17 the international union involved should approve or reject all
18 collective bargaining agreements. I noted yesterday in the
19 hearings, and asked the question of Mr. Dunlop, and I thought
20 he gave an unusually short and succinct answer, as to the
21 reasons why only unions at the international or national level
22 had to approve. There was no similar provision for any
23 employer or management approval. Do you find that particular
24 facet of the proposal difficult, or do you think it is
25 acceptable? What is the position of the industry on that?



1 Mr. Sprouse or Mr. Rooney, either of you may answer. The bill
2 calls for the approval of the international, but doesn't say
3 anything about employer associations at the national level.

4 Mr. Sprouse. That is right. There are three reasons in
5 our discussion of the concept of the legislation, one, in the
6 construction industry trade association business, I don't think
7 it is doable. Two, we are subject to antitrust connotations
8 with the unions, and, three, we don't want it.

9 Mr. Ashbrook. As to the second, there is that nice
10 provision in there that criminal liability ---

11 Mr. Thompson. Is that the order of the problem?

12 Mr. Sprouse. No, not necessarily.

13 Mr. Ashbrook. There was an oversight provision.

14 Mr. Sprouse. We were aware of that problem.

15 Mr. Ashbrook. There is a clause in the proposal that
16 would exempt from criminal or other kinds of legal action
17 anyone who acts under this bill, so I presume it would have
18 covered you or may have covered you on the antitrust aspects.

19 Mr. Sprouse. There are two other reasons.

20 Mr. Ashbrook. The other two reasons seem to be a little
21 bit stronger.

22 I am left a little bit in the air, Mr. Sprouse, as to
23 whether the tone of your statement, which, as Mr. Thompson
24 pointed out, is rather conciliatory. Do you find yourself
25 categorically against the bill?

1 Mr. Sprouse. No, sir. We are not supporting the bill
2 nor are we opposing it.

3 Mr. Ashbrook. I guess that is what I was going to get to.
4 If it happens, it will happen, but not with your blessing, is
5 that it?

6 Mr. Sprouse. Yes, sir.

7 Mr. Ashbrook. Like Mr. Thompson, I will take the
8 amendments into consideration. I kind of have the feeling it
9 is already set.

10 Mr. Thompson. I hope so.

11 Mr. Ashbrook. But I guess we will take a look at your
12 amendments. With that I have no further questions.

13 Mr. Sprouse. We sort of had that feeling too,

14 Mr. Ashbrook.

15 Mr. Thompson. Thank you very much.

16 These two bills represent passage of an amendment or a
17 bill. I would suggest that the committee recess long enough
18 for Mr. Ashbrook and myself to go vote and return.

19 Thank you.

20 (Voting recess taken)

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LaFrance
fls
McMath
3:30

1 Mr. Thompson. The committee will be in order.

2 Our next witness is Mr. Philip Abrams, President of
3 Associated Builders and Contractors. Mr. Abrams, welcome.
4 If you will identify your associates. We know these
5 gentlemen, but the record should show.

6 STATEMENT OF PHILIP ABRAMS, PRESIDENT, ASSOCIATED
7 BUILDERS AND CONTRACTORS, INC., ACCOMPANIED BY
8 JOHN TRIMMER, EXECUTIVE VICE-PRESIDENT, AND WILLIAM
9 B. BARTON, ATTORNEY

10 Mr. Abrams. With me is our Executive Vice-President,
11 John Trimmer, and our Attorney, Bill Barton, sir.

12 We have a written statement that we have submitted. We
13 would like that statement entered into the record.

14 Mr. Thompson. Without objection your statement in full
15 will be made part of the record at this point.

16 Mr. Abrams. Thank you sir.

17 Mr. Thompson. As a matter of fact, we would appreciate
18 your summarizing although we don't want to rush you.

19 Mr. Abrams. I understand. I do have an oral summary.

20 (The written statement of Philip Abrams follows:)

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1 Mr. Abrams. I am Philip Abrams. I am President of
2 Associated Builders and Contractors. We represent 9000
3 contractors of the United States who work under the merit
4 shop philosophy which believes that union and non-union
5 contractors and union and non-union men can work effectively
6 in harmony and do work effectively in harmony in the
7 construction industry.

8 We recognize there are problems in collective bargaining
9 in the construction industry. They have been elucidated by
10 the Secretary of Labor and by some of the previous witnesses.
11 We won't go into the specific problems except to note that we
12 feel that the principal problem of collective bargaining is
13 that there is unbalanced economic pressure at the collective
14 bargaining table, and that has resulted in the settlements
15 which have made the industry notorious for high wages and low
16 productivity.

17 H.R. 5900, the bill that would legalize secondary
18 boycotts, won't help the economic imbalance. The bill which
19 has passed the House will allow one side in the collective
20 bargaining process to shut down the entire jobsite and
21 increase the imbalance in economic pressure which already
22 exists under collective bargaining in the industry. H.R. 9500
23 is linked, as Congressman Ashbrook noted, to H.R. 5900, both
24 by the Administration and by other spokesmen for the
25 Administration and by some Senators and Congressmen. I think

1 it is clear from the previous witnesses that the construction
2 industry rejects the linkage between the two bills, rejects
3 any tie-in and feels that the two bills should stand on their
4 own merits.

5 Mr. Thompson. What in your view is the linkage?

6 Mr. Abrams. The linkage, as Congressman Ashbrook stated,
7 is the political linkage. The Administration has stated that
8 H.R. 5900 would be vetoed by the President unless it is
9 accompanied by the bill which would substantively reform the
10 collective bargaining process in construction. There is word
11 from the Senate that they intend to combine the two bills into
12 one piece of legislation.

13 Mr. Thompson. Where does that word come from the other
14 body?

15 Mr. Abrams. It comes from the Senate Labor Committee,
16 sir.

17 Mr. Thompson. From whom?

18 Mr. Abrams. From members of the Senate Labor Committee.

19 Mr. Thompson. Were you here earlier when I said, I believe
20 to Mr. Taylor, that by design there are two separate bills
21 which are going to be treated separately by this body?

22 Mr. Abrams. Yes, sir.

23 Mr. Thompson. At least my conversations with the other
24 body lead me to believe very firmly that the two bills are
25 to be considered separately. The President can take his choice

1 and sign one, veto the other, veto both, do whatever he wants.
2 This very procedure ought to reassure you with respect to
3 that here in this body. This body will act first. Whatever
4 information you get, yours might be as reliable or more or
5 less than mine.

6 Mr. Abrams. With all respect, I believe my view reflects
7 the political reality of the situation, as Congressman
8 Asbrook says.

9 Mr. Thompson. There is a difference between political
10 reality and legislative linkage.

11 Mr. Abrams. I am talking about political linkage. I am
12 talking about the facts of the matter.

13 Mr. Thompson. You can either talk politics or talk
14 about the substance of the bill. H.R. 9500 is not an
15 amendment to the National Labor Relations Act. H.R. 5900 is
16 an amendment to Section 8(4)(4) of the Act.

17 Mr. Abrams. I am well aware of that. But even the
18 inversion of the numbers in the titles of the bills gives an
19 indication of the fact that they are not separate bills
20 politically, H.R. 5900 and H.R. 9500. That happens to be a
21 fortuitous inversion?

22 Mr. Thompson. That is a coincidence of numbers. Numbers
23 are assigned in the order that bills are introduced. I admit
24 to wanting the number H.R. 5900 for easy identification
25 purposes.

1 Mr. Abrams. The New York Times said on September 4 that
2 "Congress will also have to be wary of any package deal that
3 attempt to use this desirable basic proposal as protective
4 coloration for the 'common situs' picketing bill already
5 passed by the House.

6 "That measure, which would vastly increase the ability
7 of any single construction union to shut down an entire
8 project, would simply encourage irresponsibility of the type
9 the stabilization plan is intended to combat. The two have
10 no place in one shell."

11 Mr. Thompson. I understand that that is one reason
12 why they are not in one shell. They are neither identical nor
13 fraternal twins.

14 Mr. Abrams. Unfortunately with H.R. 9500 we have been
15 led to expect great reforms and substantive reforms in the
16 legislation. We find that instead we have a bill which we
17 regard as a hoax because we feel, notwithstanding the
18 Chairman's statement, that it does grease the path for
19 H.R. 5900 to become law in this country. The Secretary of
20 Labor in testimony before the House and the Senate promised
21 vastly enhanced roles for national construction management in
22 local disputes.

23 In a Wall Street Journal interview the Secretary of
24 Labor promised sweeping changes. He promised locals would
25 have to get permission to strike. There would be mandatory

1 cooling off periods. There would be mandatory mediation of
2 disputes. There would be strong incentives for wide area
3 bargaining. We don't find that in H.R. 9500.

4 H.R. 9500 has two substantive proposals at least as
5 stated in the summary by the Secretary of Labor. One, a
6 30-day cooling off period, standard national union approval
7 of local agreements. These are not sweeping changes in our
8 estimation. They amount to a milksop. They would be fine if
9 they were standing independently in the political process.
10 But as they are politically linked to H.R. 5900 they do not
11 do well for the construction industry.

12 The 30-day cooling off period loophole is something which
13 I understand the committee addressed itself to yesterday and
14 will be corrected. At present the language in H.R. 9500 does
15 not provide for an effective 30-day cooling off period. A
16 simple 91-day notification of the end of the agreement would
17 result in no cooling off period.

18 The other substantive item in the legislation, that which
19 gives national unions a veto over local agreements, we take
20 issue with. First of all, we do not see in this, the only
21 substantive proposal in the legislation, any vastly enhanced
22 role for management. As a matter of fact, management has no
23 role in the final say over overseeing these local collective
24 bargaining agreements. It reverses the intent of the Landrum-
25 Griffin Amendments to the National Labor Relations Act by

1 taking power away from local unions and giving it to national
2 unions.

3 We believe it puts the national unions, who are not in
4 the proper forum to bring about changes in wage patterns and
5 productivity, in that position. We don't believe the national
6 union should be in the position to try to reverse the wage
7 patterns and the productivity patterns in the construction
8 industry. It allows the national unions to put pressure on
9 local unions.

10 I think the reason one of the associations took
11 exception to SASMI's position is specifically the conflict
12 which has been going on in the sheet metals trade between
13 SASMI and the International Sheet Metal Workers Union and local
14 sheet metal workers where national unions want SASMI passed,
15 many of the locals don't want it passed, and this vehicle will
16 be a vehicle for the national sheet metal workers union to
17 force their locals to adopt the SASMI plan which they oppose.

18 Finally, we think by exempting the parties, who under
19 this legislation can take action, but exempting them from
20 legal liability you encourage the irresponsibility of people
21 who do not have to answer for the actions they take. The
22 problems in the construction industry, the malaise that
23 affects collective bargaining in construction, is an economic
24 imbalance at the collective bargaining table that will be
25 increased by the passage of H.R. 5900.

1 There is nothing in this legislation that is going to
2 resolve that economic imbalance. It is only going to
3 camouflage it.

4 As far as some of the provisions for notice, we note
5 in our testimony, and I won't go into any great detail, that
6 many of the provisions in the boilerplate are covered by
7 Section 8(d)(1) of the National Labor Relations Act. The setup
8 in the National Labor Relations Act for the Federal Concilia-
9 tion and Mediation Service to become involved in collective
10 bargaining disputes has an established bureaucracy and we don't
11 see a need for a duplicate bureaucracy in the construction
12 industry.

13 There is one further item that directly affects the
14 associability of contractors. Since we are an association
15 of both union and non-union contractors which does not
16 accept the delegation of collective bargaining authority
17 either on a national level or local level, we now find
18 ourselves for the first time, and I am sure it was not the
19 intent of the Secretary of Labor or the labor unions or any
20 other management association or of Congress to involve ABC
21 in the process of collective bargaining, but the language in
22 the bill requires that if any of our union members has a
23 collective bargaining dispute that they must notify ABC, that
24 ABC must give notice to the new committee to be set up, and
25 that ABC must participate in the negotiations of that local

1 area.

2 We do not want to become involved in the collective
3 bargaining process. We don't believe anybody wants us
4 involved in the collective bargaining process. We have
5 suggested in our written testimony language which would
6 provide a means for ABC being not included in the collective
7 bargaining process.

8 In summary, we think that H.R. 5900 on legalization
9 of secondary boycotts is bad legislation and it is not improved
10 by a weak adjunct H.R. 9500. We don't think the industry can
11 live with 5900. We think that 9500 is the grease for its
12 being put into law. We believe that in that way it is
13 perpetuating a hoax on an industry which needs real solutions
14 and not H.R. 9500.

15 That is the end of our testimony.

16 Mr. Thompson. Thank you.

17 We will look carefully at your suggestions as we did to
18 your suggestion with respect to the legislation which the House
19 passed which seems to be your greatest concern, and that is
20 H.R. 5900. We do appreciate the language suggestion, and we
21 will look at them. Beyond that I have no comment.

22 Mr. Cornell?

23 Mr. Cornell. No questions.

24 Mr. Thompson. Thank you very much, sir.

25

1 Mr. Thompson. Our next witness is Mr. Robert R. Arquilla,
2 Vice-President and Treasurer of the National Association of
3 Home Builders.

4 Mr. Arquilla, you are very welcome. If you will identify
5 the gentlemen accompanying you for the record, we would
6 appreciate it.

7 STATEMENT OF ROBERT R. ARQUILLA, VICE-PRESIDENT AND
8 TREASURER, NATIONAL ASSOCIATION OF HOME BUILDERS,
9 ACCOMPANIED BY CARL A. S. COAN, JR., STAFF VICE-PRESIDENT
10 AND LEGISLATIVE COUNSEL, AND JOHN REILLY, LABOR COUNSEL

11 Mr. Arquilla. On my right is Carl S. Coan, our staff
12 vice-president and legal counsel, and on my far right, John
13 Reilly, who is our Labor Counsel.

14 Mr. Thompson. Welcome, gentlemen. Without objection
15 your statement in full, which is very brief, will be made a
16 part of the record at this point. Please feel free to
17 proceed as you wish.

18 (The written statement of Robert R. Arquilla follows:)
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1 Mr. Arquilla. My name is Robert Arquilla, from
2 Chicago, Illinois, and serve as Vice-President and Treasurer of
3 the National Association of Home Builders. I also served
4 as the NAHB representative for three years on the National
5 Carpenters Craft Board set up under the Construction Industry
6 Stabilization Committee. NAHB is the trade association of the
7 home building industry with more than 73,000 member firms in
8 602 State and local associations throughout the nation.

9 Our membership consists of both union and non-union
10 builders, of both prime contractors and subcontractors, with
11 unionized housing construction mainly concentrated in major
12 metropolitan areas. Union wage levels in an area, however,
13 also have an impact on the wages paid to nonunion employees.
14 This is especially true for Federally assisted multifamily
15 construction because of the requirements of the Davis-Bacon
16 Act. We, therefore, have a great interest in legislation
17 aimed at improving the framework of collective bargaining
18 in construction.

19 Mr. Thompson. May I interrupt you with a question.

20 Mr. Arquilla. Surely.

21 Mr. Thompson. I think I knew the answer to it, but I
22 am certain I have forgotten it. Do you know what percentage
23 of the home building industry employs union labor?

24 Mr. Arquilla. In the single family detached area, about
25 35 percent is union represented. In multifamily it is far

1 higher than that, maybe 60 percent.

2 Mr. Thompson. For garden types or large developments.

3 Mr. Arquilla. Right, condominiums and so forth.

4 Mr. Thompson. Thank you very much.

5 Mr. Arquilla. NAHB endorses establishment of the
6 proposed Construction Industry Collective Bargaining Committee
7 to assure that problems of collective bargaining structure,
8 productivity and manpower development are constructively
9 approached by labor and management in the construction
10 industry. It would be the beginning of a mechanism that the
11 unionized sector of the construction industry has needed for a
12 long time. The construction industry, unlike other major
13 industries, consists of a multitude of relatively small
14 employers dealing with many large unions. This has resulted
15 in an imbalance of bargaining power in favor of the union.

16 This imbalance has frequently resulted in excessive wage
17 and fringe benefit settlements, with different unions in the
18 same geographic area competing with each other to see which
19 can achieve the highest settlement for its members. As a
20 result, in the late 1960's and early 1970's, settlements in
21 the construction industry frequently resulted in annual
22 increases of from 10 to 20 percent. This led to the
23 establishment in March, 1971, of the Construction Industry
24 Stabilization Committee, as a reaction to such highly
25 inflationary settlements.



1 CISC, which was made up of management, labor and public
2 members, restored stability to the collective bargaining
3 process in the construction industry, resulting in a decrease
4 in the annual increase in wage rates and fringe benefits over
5 the preceding year from 13.5 percent in the first quarter of
6 1971, to 5.6 percent in the first quarter of 1974. It also
7 resulted in a decrease in work stoppages in the construction
8 industry from 463 in 1970 to 272 in 1973.

9 At this point I might add, Mr. Chairman, our number was
10 improper in the original submission and we have submitted the
11 corrections on that.

12 Mr. Thompson. Thank you. The record will show that.

13 Mr. Arquilla. Unfortunately, the authority of CISC
14 terminated with the termination of the Economic Stabilization
15 Act on April 30, 1974. Since that time, the annual increase
16 accelerated to 9.6 percent in the first quarter of 1975 and the
17 trend is for further increases. Additionally, work stoppages
18 increased to 437 in 1974 and are at an annual level of 400
19 in 1975. Attached are two charts illustrating these changes.

20 (The charts referred to follows:)
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1 Mr. Arquilla. We feel very strongly that the expiration
2 of CISC brought about the renewed instability in the
3 construction industry that has occurred over the past 16 months.
4 Because of CISC's authority to intervene in collective
5 bargaining disputes, it was most successful in helping to
6 resolve these disputes and moderating the inflationary trends
7 that were evident before its institution. The problems which
8 CISC were able to deal with have not gone away and this is why
9 we believe that the proposed Construction Industry Collective
10 Bargaining Act is an important step towards dealing with these
11 problems on a permanent basis.

12 By involving the proposed Collective Bargaining Committee
13 in disputes and bringing into play the less parochial interests
14 of the national management and union organizations, there
15 should be significant incentives to resolve problems between
16 labor and management without resorting to work stoppages. Also,
17 the bill's proposed requirement, that any settlement is subject
18 to approval by the- national organization to which the local
19 labor organization involved in a dispute belongs, should help
20 to avoid patently unreasonable requests by local labor
21 organizations.

22 This, CISC was able to do. However, this proposal lacks
23 one of the main levers that CISC HAD. Although seldom used,
24 CISC had the power to disapprove a proposed settlement. This
25 lever encouraged the parties to a dispute to attempt to reach

1 a reasonable agreement. We believe that such authority should
2 be given to the proposed Construction Industry Collective
3 Bargaining Committee. While we would, of course, hope that
4 that authority would be seldom used, its mere existence would
5 be very helpful and is necessary. We urge the Committee to
6 amend the bill to that end. We, then, urge that the Committee
7 move quickly on this important legislation.

8 Thank you for the opportunity to appear today.

9 Mr. Thompson. Thank you very much.

10 First the committee will give serious consideration to
11 the amendment which you have suggested and to others which
12 have been suggested by others.

13 Secondly, the committee will move quickly. I introduced
14 legislation many months ago, and indeed for a considerable
15 number of years, relating to the Denver Building Trades case,
16 so-called common situs picketing situation. I had no
17 intention whatever of introducing legislation such as 9500
18 until it was suggested to me by Secretary Dunlop and President
19 Ford. The President felt it so important that he asked a
20 number of us from this committee and from the other body to
21 a rather lengthy conference at the White House during which he
22 set forth the parameters of the legislation.

23 I agreed in a spirit of cooperation to introduce it
24 along with my colleague, Mr. Quie, the ranking Member of this
25 committee. We had a great many discussions back and forth, but

1 it is essentially an Administration bill, drafted by
2 Secretary Dunlop and his people in consultation with a great
3 many other people.

4 The proposal, although not its final form, the outlines
5 of it have at least been known for at least two months. It is
6 perfectly obvious how well-known they are by the number of
7 editorials such as was quoted earlier in the New York Times,
8 the Wall Street Journal article, radio, television, so that
9 anyone with an interest either for or against the legislation
10 certainly had ample notice of that.

11 As a matter of fact, we had reserved tomorrow for a
12 hearing day but have no further requests for hearing. I
13 emphasize that because in a recent summary set forth in the
14 very reputable and authoritative journal called Congressional
15 Quarterly I was accused of not giving the opponents of the
16 legislation, indeed some of the proponents, adequate
17 opportunities to testify.

18 We have statements relating to this legislation from
19 persons or groups for or against strongly each way who have not
20 requested to be heard. Beyond one more witness not scheduled
21 to be heard today following you there is no further need for
22 hearings. The general outlines, the purpose, are very well
23 known. There might be some refinements such as you suggest.

24 I would like to thank you very, very much. I think
25 probably we would agree that even if CISC had continued in

1 being that as an adjunct to its activity such legislation
2 as this might have been a valuable tool for them. I am sorry
3 as you are that they no longer exist.

4 Your charts, your data, are extremely valuable, and we
5 are grateful to you and to everyone else who has made
6 suggestions with respect to the legislation.

7 Mr. Cornell?

8 Mr. Cornell. No questions, Mr. Chairman.

9 Mr. Thompson. Thank you very much.

10 Mr. Arquilla. Thank you, Mr. Chairman.

11 Mr. Thompson. I might conclude by saying, Mr. Arquilla,
12 that if you have some further thoughts or anyone else who has
13 testified or who has not testified, have any further thoughts,
14 suggestions or amplifications, I shall ask Chairman Perkins to
15 keep the record open for a reasonable number of days for
16 backup material or any additions. We certainly will be
17 receptive to any perfecting or reasonable amendments.

18 Mr. Coan. Mr. Chairman, we may have some. We really
19 didn't have time in reviewing the technical language to do
20 that and everything else. If it is possible I would like to
21 submit a further letter in a day or two setting that out.

22 Mr. Thompson. We would appreciate that, Mr. Coan. As
23 soon as you get it to us we will be grateful. Of course that
24 invitation is extended to everyone. Thank you very much.

25 Mr. Coan. Thank you, sir.

1 Mr. Thompson. Our last witness for the day is
2 Mr. Robert Connerton, the General Counsel of the Laborers
3 International Union. He is accompanied as usual by the very
4 distinguished Mr. Curran, whose precise function is as yet
5 unknown to us.

6 STATEMENT OF ROBERT J. CONNERTON, GENERAL COUNSEL,
XXXX 7 LABORERS INTERNATIONAL UNION, ACCOMPANIED BY JACK CURRAN,
8 LEGISLATIVE DIRECTOR

9 Mr. Connerton. Thank you, Mr. Chairman.

10 As usual, Jack and I are very grateful for the
11 opportunity of appearing before you and the members of this
12 committee.

13 I would like to confine my remarks to the objections
14 raised by the Associated General Contractors to the passage
15 of H.R. 9500.

16 When we appeared here originally in connection with
17 H.R. 5900, equal treatment for craft and industrial workers,
18 we promised at that time that we would appear here today to
19 support a bill that would try to enhance bargaining processes
20 in the construction industry. We are here today to fulfill
21 that promise.

22 Now with respect to the position of the Associated
23 Building Contractors I think it should be clear on this
24 record that while they suggest to you they represent both
25 union and non-union contractors, the simple fact of the matter

1 is that the number of union contractors in that association
2 can be counted on one hand. It is a non-union contractors
3 organization representing non-union contractors, and that is
4 a simple fact.

5 Turning to the position of the Associated General
6 Contractors, I would like to make a few brief remarks on some
7 of the points that they have raised. Their point with
8 respect to contracting, all contracts terminating on a single
9 day ---

10 Mr. Thompson. That is May day.

11 Mr. Connerton. May day, right --- is probably not well
12 thought out or fully considered because what that would really
13 mean is that it would transfer power to the building trades
14 department to shut down the entire industry in this country
15 on one day. While that might be something that some unions
16 would like, perhaps we might favor personally from a
17 philosophical standpoint, I am sure there are very few Members
18 of either the House or the Senate that would ever support
19 that sort of proposition.

20 Mr. Thompson. May I interrupt to say that I wouldn't
21 support it. I think that would be a terribly dangerous
22 situation, inimical to not only the interests of organized
23 labor but certainly to the contracting and building industry
24 in general.

25 Mr. Connerton. It is clearly a proposition that we are



1 not supporting, Mr. Chairman.

2 Mr. Thompson. We don't want a situation analogous or
3 similar to that which exists in the railway industry where, as
4 you know, one day and that is the ball game.

5 Mr. Connerton. That is correct. Every single summer
6 this Congress would be struggling with nationwide potential
7 strikes in the construction industry.

8 Now with respect to their fourth point dealing with
9 retroactive payments, it seems to me that really this is a
10 matter which has not been fully considered by them either.
11 In support of that proposition they talk about different
12 bargaining situations which really refers to another point
13 that they are making.

14 In seems to me that in many cases in this country when
15 an agreement expires at the present time the unions are urged
16 to have their members continue working with the understanding
17 that when and if the employers ever reach an agreement with
18 the union the agreement will be retroactive to that particular
19 day. Adoption of that proposal would remove from the hands
20 of the parties to the collective bargaining process a very
21 salutary method which they have used in the past to prevent
22 strikes.

23 Now the sixth point that is made by the AGC deals with a
24 very complicated subject. That is the question of multi-
25 employer certification. Inside the labor movement, in the

1 building trades industry, there has been substantial support
2 for that proposition on the part of some unions, strong
3 opposition on the part of other unions to that proposition.
4 It would require, as you know, a number of amendments to the
5 Taft-Hartly Act.

6 At the present time a few of the provinces in Canada have
7 adopted multi-employer certification. It is my understanding
8 that the statutes have run into difficulty in implementation
9 because of conflicts between contract associations.

10 In any event, we would support that during the oversight
11 hearings or otherwise that this committee might care to
12 inquire into the possibility of enacting employer certification
13 provisions in the construction industry.

14 I think clearly we agree with the general objective of
15 the Associated General Contractors. The more people that can
16 be bargained for at a particular time with uniform wages and
17 uniform conditions and a lack of competition in bargaining
18 is an objective really that the unions I think in general would
19 support.

20 With respect to proposition No. 7, and that is the
21 Commission should automatically take jurisdiction over all
22 bargaining disputes in the construction industry, it seems to
23 me that this is a matter which our experience in the passage
24 of the hospital bill would be helpful. You will recall at
25 that particular time, Mr. Chairman, we left to the

1 Federal Conciliation Service the decision as to whether or
2 not they thought the matter was important enough for them to
3 take jurisdiction. I believe that Secretary Dunlop's bill
4 tracks that particular proposal. We would endorse that.
5 Taking jurisdiction over infinitesimal disagreements in the
6 construction industry it seems to me contains many elements of
7 make work. The Commission here clearly has the jurisdiction
8 to entertain any dispute which they feel might be of some
9 value.

10 Mr. Thompson. I think, Mr. Connerton, that the
11 relatively short but rather definitive history since the
12 enactment of the hospital act has shown a number of things.
13 First, that the type of structure set forth involving the
14 Federal presence has worked very well.

15 Secondly, and perhaps more important, there has been a
16 dramatic decrease in the number of strikes. Admittedly
17 many, perhaps even at one time even the majority, were
18 recognition strikes. But strikes relating to hours and wages
19 and working conditions have been greatly reduced and it has
20 worked.

21 I might add here that although Mr. Dunlop was not
22 Secretary at that time, although I don't agree with
23 Secretary Dunlop all the time, I can't help but say that he
24 is a most knowledgeable man, most cooperative and reasonable
25 man, and my staff and I have found, as I am sure the full

1 committee staff has found, his door open, and a great
2 willingness on his part to exchange information with us, he
3 is a tremendous source of information, having so many years
4 of distinguished service in various labor-management
5 activities. He is even in the wheat business now.

6 Mr. Connerton. That is what I understand. That is what
7 makes much of the conversation of the ABC very amusing. Here
8 Congress last year passed the hospital bill with really a
9 10-day cooling off period and mandatory mediation, far less
10 than what the Congress is doing in this area. I think if we
11 just check the record and find out what the experience has
12 been, virtually all strikes in the hospital industry have been
13 eliminated. That is the record of the Congress's achievement.

14 I feel this bill goes far beyond that particular point.

15 Mr. Thompson. I will hasten to concede that this bill
16 with respect to the position of organized labor is much more
17 stringent in terms of restraints, possible restraints, than
18 is the hospital act.

19 Mr. Connerton. That is correct, sir.

20 Mr. Thompson. As an earlier witness said, in a sense it
21 is a change in the attitudes since 1959 when we had the last
22 major amendment to the National Labor Relations Act. But it
23 is an amendment based on the experience in the intervening
24 years and the needs of today in the industry.

25 Mr. Connerton. Yes, and I think it is also based,

1 Mr. Chairman, on the experience of the Construction Industry
2 Stabilization Committee during the period 1971 to 1974. That
3 record again also speaks for itself, following basically the
4 same procedures provided for in this bill which I am certain
5 that Secretary Dunlop is really tracking, that the number of
6 disputes was reduced substantially, I think something in the
7 range of 67 percent if you include the number of manhours you
8 are running up into the 90 percent.

9 The settlements were reasonable. A great deal of
10 uniformity was established in the construction industry. A
11 number of distortions were eliminated. I think we are here
12 to carry out the promise that we made to you many months ago
13 for the purpose of enforcing Secretary Dunlop's proposed
14 legislation.

15 Mr. Cornell. Would you be agreeable to the suggestion
16 made by the National Association of Home Builders that the
17 power to disapprove a proposed settlement be given to the
18 Collective Bargaining Committee?

19 Mr. Connerton. First of all, Mr. Cornell, I have not
20 been involved in the negotiations that led to Secretary
21 Dunlop's bill. If you are asking me my personal opinion, I
22 would be opposed to it because that to me constitutes
23 compulsory arbitration.

24 As I understand the situation, both the labor movement
25 and the business community are opposed to compulsory



1 arbitration. Years ago I was deeply involved inside the
2 American Bar Association when we were debating the issue of
3 compulsory arbitration applied to the transportation industry.
4 After a few years of study both the labor and the business
5 segment of the labor law section came down firmly and
6 unanimously in opposition to compulsory arbitration.

7 If the CISC were to approve or reject all agreements that
8 in my mind would be tantamount to compulsory arbitration, and
9 I would be opposed to that proposal.

10 What Secretary Dunlop's position would be, or the
11 position of the Building Trades Department, or the industry
12 I don't know.

13 Mr. Thompson. If the gentleman will yield, I think the
14 Secretary made his position very clear on that subject in his
15 testimony of yesterday when he emphasized that this legislation
16 does not include compulsory arbitration. The Secretary I am
17 sure is as aware as we are of the situation in the railway
18 industry when in effect virtually on an annual basis the
19 Congress arbitrates compulsorily.

20 Mr. Connerton. That was the history of our experience
21 in reviewing the disputes in the transportation industry over
22 the period of 20 years. At a certain point in time there was
23 no longer any bargaining, the free collective process dried
24 up and both parties went to the Government to argue their
25 case. They were congenitally unable to bargain in good faith

1 among themselves. They were always bargaining with one eye
2 on Congress and with the notion in mind that the matter would
3 be resolved by the political process in Congress.

4 Mr. Cornell. They speak favorably of the CISC during-
5 that period of time. I note the statement was made that one
6 of the main levers was the power to disapprove of the proposed
7 settlement.

8 Mr. Thompson. The purpose there was a wage stabilization
9 purpose.

10 Mr. Cornell. I was getting to that. I don't think you
11 can sell it to your workers in view of the experience we have
12 under wage stabilization. We did have wage stabilization but
13 it was not effective. In view of that experience I don't
14 think you can sell that to the workers. That is why I question
15 whether the CISC was necessarily that good.

16 Mr. Connerton. It was a separate body established,
17 Mr. Cornell, in the building and construction industry.
18 However its jurisdiction was limited to approving wages. I
19 litigated a number of cases involving issues other than wages
20 during that particular period of time. I believe the proposal
21 before you contains a method by which reason can be injected
22 into collective bargaining negotiations in the construction
23 industry. There is a provision in the bill that requires
24 approval for all agreements on the part of the international
25 unions. That is designed to overcome actions of Congress in

1 in 1947 with the passage of the Taft-Hartly Act, in 1959 with
2 the passage of the Landrum-Griffin Act, and to restore the
3 salutary roles of international unions participating in local
4 negotiations and exercising a stabilizing influence.

5 It is my considered opinion that as in the days of the
6 CISC from 1971 to 1974 that result will be brought about. I
7 believe that other parties to the industry will agree with me
8 on that conclusion.

9 Mr. Cornell. Thank you, Mr. Chairman.

10 Mr. Thompson. With that, thank you very much.

11 I might note that the absence of compulsory arbitration
12 as a feature in this proposal of the Secretary is clearly the
13 result of his consultations with both the employers and the
14 employees. I think it is safe to state that the employer
15 groups would want compulsory arbitration no more than would
16 the employee groups. This question has been discussed at
17 length over the years. I think it is generally acknowledged
18 that compulsory arbitration would bring about unrealistic
19 offers and unrealistic demands and, therefore, unrealistic
20 and not really sensible settlements.

21 It has been my experience at least, and recent history
22 bears it out in all industry, that there have been fewer
23 strikes in recent years than in earlier years, and this is
24 proof that the collective bargaining process as it now
25 exists works better than would compulsory arbitration.

1 With that I thank you, Mr. Connerton, and the committee
2 will adjourn subject to the call of the Chair. There will
3 be no further hearings on H.R. 5900, but I shall request the
4 Chairman to keep the record open for a reasonable number of
5 days.

6 Mr. Connerton. Thank you, Mr. Chairman.

7 Mr. Thompson. We will expect to hear from the Coan
8 and others.

9 We will adjourn.

10 (Whereupon, at 4:30 p.m., the hearings were concluded,
11 subject to the call of the Chair)

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