The original documents are located in Box 8, folder "Common Situs Picketing - Meeting with the President, December 18, 1975" of the James M. Cannon Files at the Gerald R. Ford Presidential Library.

MEETING WITH THE PRESIDENT
Thursday, December 18, 1975
CABINET ROOM
6:30 p.m.

Re: Common Situs Picketing

File

[Dec. 1975]

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR: THE PRESIDENT

FROM: JIM CANNON

SUBJECT: Common Situs Picketing

In response to your request of this morning, this is to provide you with some more information on the nature of the arguments being advanced both pro and con on the Common Situs issue.

Over 560,000 communications have been received. The bulk of this total, and most of the initial flow, can be traced to veto campaigns pushed by contractor groups and the National Right to Work Committee.

More recently the negative mail has included messages from all segments of the business community. Comments range from emotional anti-union arguments to more thoughtful statements that the legislation will not promote the stability in the industry you seek, will make it impossible for union and non-union workers to work on the same project and will increase costs.

Governors Bowen and Godwin have written to oppose Common Situs, as have at least 35 Congressmen and Senators. Under Secretary of Commerce, James Baker, wrote to you as did Jack Eckerd the Administrator of GSA who supported language exempting GSA to some extent from the provisions of the proposed law.

Bob Hartman's office has received a significant volume of mail from party leaders and contributors, many indicating you will lose their support if you do not veto.

A number of correspondents cite an Opinion Research Corporation public opinion poll which showed 68% opposed to common situs picketing. This poll also showed 57% of union members interviewed opposed common situs picketing in the construction industry. The poll was conducted on behalf of the National Right to Work Committee.

Dozens of newspapers, including the New York Times, have called for a veto. The Times said the legislation would "lead to sudden work stoppages, enforced idleness for workers, and higher costs for both contractors and the public."

There has been little organized support expressed for the measure until recently. Within the last few days a campaign urging signature has begun and about 7,000 pro Common Situs pieces of correspondence have been received. All of this mail seems to be coming from union officials.

Proponents of the legislation urge signature because they believe it gives unions rights they deserve; they believe you have made a commitment, and they feel construction union membership is supportive of your leadership.

ANALYSIS OF THE SIGNIFICANT FEATURES OF THE LEGISLATION

Title I, Common Situs Picketing

H.R. 5900 is divided into two Titles.

Title I seeks to overturn the Supreme Court's decision in the Denver Building Trades case in which it was held that a construction union may only picket the single employer-contractor on the construction site with which it has a labor dispute. Therefore, under present law, picketing against one contractor or subcontractor is unlawful when the effect is to induce the employees of other contractors and subcontractors to refuse to work at the site. Rules have been developed that allow a separate or reserved gate to be established for the employees and suppliers of the employer with whom there is a labor dispute. In such a case, the union must restrict its picketing at the construction site to that gate. When there is no reserved gate, broader picketing is allowed.

Section 101(a) amends section 8(b)(4) of the National Labor Relations Act. It provides that section 8(b)(4)(B) shall not be construed to prohibit a strike or refusal to perform services, or inducement thereof, by an employee of an employer primarily engaged in the construction industry at the construction site and such action is directed at any

of the several employers who are joint venturers or in the relationship of contractors and subcontractors in construction, alteration, painting, or repair of a project at the site.

The section further provides that except as provided in the legislation, no act or conduct is permitted which prior to enactment was or may have been an unfair labor practice, and no act or conduct which was not an unfair labor practice prior to enactment is prohibited.

Section 101(a) prohibits the following:

-- A strike or refusal to perform services, or inducement thereof, in furtherance of a dispute unlawful under the Act, or in violation of an existing collective bargaining agreement, or when the issues in dispute do not involve a labor organization representing employees of an employer who is not primarily engaged in the construction industry;

-- Picketing to force an employer to exclude or remove an employee on the site on the grounds of sex, race, creed, color, or national origin, or because of the membership or nonmembership of the employee in a labor organization;

-- Picketing to cause an employer to discriminate against an employee in general, or because membership in a labor organization has been denied or terminated for some reason other than failure to pay periodic dues or an initiation fee;

-- Picketing to exclude a labor organization from the construction site because it is not affiliated with a national or international labor organization representing employees at the site;

-- Presently unlawful product boycotts; and

-- Picketing to attempt to force an employer to recognize or bargain with a labor organization where such action is prohibited by section 8(b)(7). However, when a labor organization engages in recognitional picketing, and a petition for representation has been filed, and a charge of an unfair labor practice has been made, the National Labor Relations Board is to conduct an election and certify the results within 14 days from the filing of the later of the petition and the charge.

Section 101(a) finally states that the ownership or control of the construction site is not the controlling factor in discerning whether the several employers in the construction

industry are joint venturers at the site and therefore whether common situs picketing would be permitted.

These provisions are enforceable under section 10(l) of the Act which governs injunctions involving violations of section 8(b)(4) (secondary boycotts) and section 8(b)(7) (recognitional picketing). Section 10(l) provides that the NLRB must:

1. Give priority to these cases;

2. Conduct a preliminary investigation forthwith; and

3. Seek an injunction if the investigation indicates reasonable cause that a violation has occurred and that a complaint should issue.

Further, section 303 of the Labor Management Relations Act authorizes private damage actions for secondary boycotts which violate section 8(b)(4).

Section 101(b) of the legislation amends section 8 of the NLRA, by first creating a new subsection (h) which provides that for the purposes of this Title, where a State law requires separate bids and contracts for the component parts of the construction project, the contractors awarded the contracts shall not be considered joint venturers or in the relationship of contractors and subcontractors with each other or with the State or local authority. In short, common situs picketing is not allowed when these laws apply.

Secondly, a new section 8(i) is created which provides that an employer at a common construction site may seek to enjoin any strike or picketing in violation of a no-strike clause of a collective-bargaining agreement which relates to an issue subject to final and binding arbitration or other method of final settlement of disputes.

Thirdly, a new section 8(j) is created that provides that this Title shall not apply at a construction site involving residential structures of three residential levels or less, which is constructed by an employer who in the last taxable year engaged in less than $9,500,000 of construction business by himself or with or through another person. Such employer must make notification to the appropriate parties within the specified time that he qualifies for this exemption.

Lastly, the present section 8(g) of the Act is redesignated 8(g)(1) and a new section 8(g)(2) is created. Section 8(g)(2)(A) requires a labor organization, before engaging in activities allowed by this Title, to give 10-days notice of intent to picket to the unions, the employers, and the general contractor at the construction site, to the Construction Industry Collective Bargaining Committee, and to the national or international labor organization with which it is affiliated. Further, before commencing to picket, the labor organization must have received written authorization to picket from its national or international. Such authorization will not render the parent national or international

organization civilly or criminally liable for those activities of which it has received notice unless it has actual knowledge that the picketing is directed at willfully achieving an unlawful purpose.

The new section 8(g)(2)(B) provides a special notice provision when the picketing is to be located at a military facility or installation or that of any other department or agency which is involved in the development, production, testing, firing, or launching of munitions, weapons, missiles, or space vehicles. In such case, 10-days notice of intent to picket is to be given to the Federal Mediation and Conciliation Service, to any State or territorial agency established to mediate and concilate disputes within the State or territory where the site is located, to the jointly engaged employers, to the department or agency concerned with the facility or installation, and to any national or international labor organization with which the labor organization is affiliated.

The new paragraph (C) provides that the notices required by paragraphs (B) and (C) are in addition to those required by section 8(d) of the Act.

The section 8(g) amendments, like those already in the statute relating to nonprofit hospitals, are enforceable through section 10(j) of the Act under which the NLRB has the discretionary authority to seek an injunction in cases

involving unfair labor practices. After a complaint has been issued, the Board may seek an injunction pending the adjudication of the case by the NLRB and the issuance, if appropriate, of a cease and desist order.

Section 102 of Title I establishes the effective date of the Title. In general, it is to take effect 90 days after enactment. However, there is an exception for construction work contracted for and on which work has actually begun as of November 15, 1975. If the gross value of the project is less than $5,000,000, the effective date is 1 year plus 90 days after date of enactment. If the gross value of the project is more than $5,000,000, the effective date is 2 years plus 90 days after enactment.

Title II, Construction Industry Collective Bargaining

Section 201 provides that Title II may be cited as the "Construction Industry Collective Bargaining Act of 1975."

Section 202 states the Congressional findings and purposes.

Section 203(a) establishes the Construction Industry Collective Bargaining Committee (CICBC), in the Department of Labor to be made up of 10 labor members, 10 management members and up to 3 neutral members, appointed by the President, and the Secretary of Labor and the Director of the FMCS ex officio. The President is to designate one of the neutrals to serve as chairman. Alternate members may be appointed in the same way as regular members. At the CICBC's organizational meeting at least 5 labor members, 5 management members and one neutral member must be present.

Section 203(b) gives the Secretary of Labor authority to appoint staff for the CICBC. He may also appoint an Executive Director, subject to the approval of the CICBC.

Section 203(c) gives the CICBC authority to promulgate regulations without regard to the rulemaking provisions of the Administrative Procedure Act. The CICBC is also empowered to designate the national unions and national contractor associations qualified to participate in the Title II procedures.

Section 204 requires that with respect to termination or modification of any collective bargaining agreement covering

employees in the construction industry, unions affiliated with any standard national construction labor organization, and any employer or employer association dealing with them, must give notice to their respective national organizations 60 days prior to the expiration date of the agreement. Contractors with no national affiliation must give this notice to the CICBC. Where the national organization is a party, it must give notice directly to the CICBC. If the agreement contains no expiration date, notice must be given 60 days before the date on which a proposed termination or modification is intended by the parties to take effect. It also requires 60 days notice of proposed mid-term modifications in existing agreements. The national organizations are required to transmit forthwith the notices they receive to the CICBC. During this 60-day period, which is comparable to the provisions of section 8(d) of the National Labor Relations Act, the parties to the agreement may not change the terms and conditions of the existing agreement or engage in any strike or lockout.

Section 205(a) authorizes the CICBC to take jurisdiction over a labor matter within a specified 90-day period.

Section 205(b) authorizes the CICBC to refer matters to national craft boards (or other similar organizations), and to meet with the parties directly.

Section 205(c) provides that once the Committee takes jurisdiction, strikes and lockouts are prohibited for a period of up to 30 days following the expiration date of the contract.

Section 205(d) authorizes the CICBC to request the participation in negotiations of the national labor and management organizations whose affiliates are parties to the matter.

Section 205(e) provides that when the CICBC has taken jurisdiction and has requested participation of the appropriate national organizations, no new contract between the parties shall take effect without approval of the standard national union involved, unless the CICBC has suspended or terminated the operation of this approval requirement.

Section 205(f) limits the civil and criminal liability of national labor and contractor organizations which might be imputed to them by virtue of their participation under the Act.

Section 205(g) states that the Act does not allow the CICBC to modify any contract.

Section 206 sets forth the standards for action by the CICBC, which relate to the improvement of collective bargaining.

Section 207 authorizes the CICBC to promote and assist in the formation of voluntary national labor-management craft or branch boards and to make general recommendations for the improvement of collective bargaining in the construction industry.

Section 208(a) limits the application of Title II to activities affecting commerce as defined in the Taft-Hartley Act.

Section 208(b) prevents individual workers from being forced to work without their consent and provides that refusal to work caused by abnormally dangerous working conditions is

not to be deemed a strike. This language is virtually identical to that contained in the Taft-Hartley Act.

Section 208(c) limits available remedies for violation of Title II to actions for equitable relief brought by the CICBC.

Section 208(d) permits the CICBC to seek enforcement of Title II in appropriate Federal District courts.

Section 208(e) sets forth the scope of judicial review stating that the CICBC may be overruled only where its findings or actions are found to be arbitrary or capricious, in excess of its delegated powers, or contrary to a specific requirement of Title II.

Section 208(f) permits voluntary service of members and alternate members of the CICBC. Such individuals will also be deemed special government employees on days in which they work for the CICBC.

Section 208(g) permits courts to issue injunctions under Title II notwithstanding the Norris-LaGuardia Act.

Section 208(h) permits the CICBC to make appropriate studies and gather appropriate data.

Section 208(i) provides an exemption for the CICBC from the hearing requirements of the Administrative Procedure Act.

Section 208(j) provides that except as provided in Title II, nothing in Title II shall be deemed to supercede or modify any other law.

Section 208(k) permits attorneys appointed by the Secretary of Labor to represent the CICBC, except before the Supreme

Court, in all civil actions brought under Title II, subject to the direction and control of the Justice Department.

Section 9 provides for appropriate coordination between the CICBC and the FMCS as well as among other Federal agencies.

Section 210 provides definitions of terms used in Title II, incorporating definitions found in the Taft-Hartley Act.

Section 211 is a separability provision.

Section 212 authorizes necessary appropriations.

Section 213 provides that Title II will expire on December 31, 1980. It also requires the CICBC to make annual reports to the President and Congress as well as a final report to be submitted by June 30, 1980.

II. COMPARISON WITH ADMINISTRATION PROPOSALS

(a) Title I, Common Situs Picketing

When Secretary Dunlop testified before both House and Senate subcommittees, he reiterated five principles which former Secretary of Labor George P. Shultz emphasized when he was called upon to discuss similar legislation during a prior session of the Congress. These principles have been incorporated into the present legislation, have been the subject of subsequent developments in case law, or have been dealt with by appropriate legislative history.

The Shultz points are as follows:

(1) Other than common situs picketing, no presently unlawful activity should be transformed into lawful activity.

The following two provisos address the matter:

> (a) "Provided further, Except as provided in the above provisos nothing herein shall be construed to permit any act or conduct which was or may have been an unfair labor practice under this subsection.
>
> (b) "Provided further, That nothing in the above proviso shall be construed to permit a strike or refuse to perform services or any inducement of any individual employed by any person to strike or refuse to perform services in furtherance of a labor dispute, unlawful under this Act . . ."

(2) The legislation should not apply to general contractors and subcontractors operating under State laws requiring direct and separate contracts on State or municipal projects.

The following proviso addresses the matter:

Notwithstanding the provisions of this or any other Act, where a State law requires separate bids and direct awards to employers for construction, the various contractors awarded contracts in accordance with such applicable State law shall not, for the purposes of the third proviso at the end of paragraph (4) of subsection (b) of this section, be considered joint venturers or in the relationship of contractors and subcontractors with each other or with the State or local authority awarding such contracts at the common site of the construction."

(3) The interest of industrial and independent unions must be protected.

The following language addresses the matter:

(a) "Provided further, That nothing in the above provisos shall be construed to permit any attempt by a labor organization to require an employer to recognize or bargain with any labor organization presently prohibited by paragraph 7 of subsection (b) . . . "

(b) "Provided further, That nothing in the above provisos shall be construed to authorize picketing . . . to exclude such labor organization on the ground that such labor organization is not affiliated with a national or international labor organization which represents employees of an employer at the common site:"

" . . . and the issues in dispute involve a labor organization which is representing the employees of an employer at the site which is not engaged primarily in the construction industry:"

(4) The legislation should include language to permit enforceability of no-strike clauses of contracts by injunctions.

The following language addresses the matter:

"Notwithstanding the provisions of this or any other Act, any employer at a common construction site may bring an action for injunctive relief under section 301 of the Labor Management Relations Act (29 U.S.C. 141) to enjoin any strike or picketing at a common situs in breach of a no-strike clause of a collective-bargaining agreement relating to an issue which is subject to final and binding arbitration or other method of final settlement of disputes as provided in the agreement."

This language codified into statutory law the Supreme Court decision in The Boys Markets, Inc v. Retail Clerks Union, 398 U.S. 235 (1970) in which the Court held that injunctions against work stoppages would lie when both parties are contractually bound to arbitrate.

(5) The legislation should encourage the private settlement of disputes which could lead to the total shutting down of a construction project by such means as a requirement for giving notice prior to picketing and limiting the duration of picketing.

The following language addresses part of the matter:

"A labor organization before engaging in activity permitted by the third proviso at the end of paragraph (4) of subsection (b) of this section shall provide prior written notice of intent to strike or to refuse to perform services of not less than 10 days to all unions and the employers and the general contractor at the site and to any national or international labor organization of which the labor organization involved is an affiliate and to the Construction Industry Collective Bargaining Committee:"

No limitation on duration of picketing is provided.

In Secretary Dunlop's testimony before the Subcommittees, he expanded on Secretary Shultz's fifth principle. Not only

did he reemphasize the notice requirement suggestion, but combined it with a requirement of authorization of the picketing by a local union's national or international organization, and that such authorization should not subject the parent organization to any criminal or civil liability resulting from the picketing. He suggested that consideration be given to making the authorization to picket subject to tripartite arbitration. The notice and authorization by the national or international union has also been accepted by the Congress with the following language:

> "Provided further, That at any time after the expiration of 10 days from transmittal of such notice, the labor organization may engage in activities permitted by the third proviso at the end
>
> activities permitted by the third proviso at the end of paragraph (4) of subsection (b) of this section if the national or international labor organization of which the labor organization involved is an affilaite gives notice in writing authorizing such action: Provided further, That authorization of such action by the national or international labor organization shall not render it subject to criminal or civil liability arising from activities, notice of which was given pursuant to this subparagraph, unless such authorization is given with actual knowledge that the picketing is to be willfully used to achieve an unlawful purpose."

Secretary Dunlop also suggested that the picketing be limited to a 30-day period. This suggestion has not been adopted.

Lastly, an amendment, which was supported by Secretary Dunlop as a clarification of his intentions, was adopted

which placed the following provisions under section 8(g) rather than 8(b)(4): Required notice; Authorization of picketing by the national or international labor organization; Nonliability of national or international labor organization from activities of which it has notice; and Picketing on Army, Navy, or Air Force installations at which munitions, weapons, missiles, and space vehicles are produced, tested, developed, fired, or launched. The effect of the amendment is to make these provisions enforceable under section 10(j) as are the notice requirements involving nonprofit hospitals rather than 10(l) which governs violations of section 8(b)(4) and section 8(b)(7).

(b) Title II, Construction Industry Collective Bargaining

The following is a summary of the differences in substance between the Construction Industry Collective Bargaining Act of 1975 embodied in Title II of H.R. 5900 and the version originally proposed by the Administration.

First, Title II, like the Administration bill provides that once the appropriate national unions and contractor associations have been asked to participate in local negotiations by the CICBC, any new contract must have the approval of the national union. However, Title II goes on to permit the CICBC to suspend or terminate the national union approval requirement in any given case.

Second, Title II provides exemptions for the CICBC from the hearing and rulemaking provisions of the Administrative Procedure Act, which were not contained in the Administration bill.

Third, Title II requires that at least five labor members, five management members, and one neutral member be present at the CICBC's organizational meeting. The Administration bill contained no such provision.

Fourth, Title II requires that notices of intention to terminate or modify a contract be submitted "effective" 60 days in advance, whereas the Administration bill provided for submission of such notices "at least" 60 days in advance.

Fifth, Title II permits the CICBC to designate those organizations qualified to act as "standard national construction labor organizations" and "national construction contractor associations" under the Act. The Administration bill contained no such provision.

Sixth, Title II requires that national organizations in receipt of notices of proposed termination or modification of local contracts pass them on to the CICBC "forthwith." The Administration bill did not contain the "forthwith" requirement.

Seventh, with respect to the CICBC's powers to assume and exercise jurisdiction over construction labor relations matters, Title II makes several technical changes in the language of the Administration bill for the sake of clarity, including a clarification of the manner on computing the CICBC's 90-day period for the taking of jurisdiction. Further, Title II permits the suggestion of any interested party, while the Administration bill did not provide for such recommendations.

Eighth, regardless of what action the CICBC takes after taking jurisdiction of a matter, Title II makes it clear that the CICBC may continue to meet with interested parties. The Administration bill contained no such language.

Ninth, Title II makes the promotion of economic growth in the construction industry one of the standards for the taking of action by the CICBC, while the Administration bill contained no such language.

Tenth, in addition to some technical differences, Title II provides broader standards of court review than those contained in the Administration bill.

Eleventh, Title II gives Labor Department attorneys authority to conduct litigation for the CICBC (except in the Supreme Court) subject to the direction and control of the Justice Department. The Administration bill contained no such provision.

Twelvth, Title II states that except as provided in the Act itself, nothing in the Act shall be deemed to supercede or modify any other provision of law, while the Administration bill contained no such provision.

Thirteenth, Title II requires Federal agencies to cooperate with the CICBC and the FMCS to promote the purposes of the Act. This is in addition to the requirement that Federal agencies provide the CICBC with information contained in the Administration bill.

Fourteenth, Title II provides that the Act will expire on December 31, 1980, while the Administration bill provided for a February 28, 1981 expiration date. Similarly Title II requires submission of the CICBC's final report on June 30, 1980, instead of on September 1, 1980 as was provided in the Administration bill.

Title II requires submission of the CICBC's final report on June 30, 1980, instead of on September 1, 1980 as was provided in the Administration bill.

Fifteenth, Title II provides that no national union or national contractor association shall incur any criminal or civil liability, directly or indirectly, for actions or omissions pursuant to a request by the CICBC for its participation in collective bargaining negotiations, participation in such negotiations or the approval or refusal to approve a contract under this Title. While this is similar to the first sentence of the Administration's immunity provision, Title II does not include the second sentence of the Administration's provision, which states that the forgoing shall not constitute a basis for the imposition of civil or criminal liability on a national union or national contractor association. In addition, the Title II immunity provision contains the following two provisos not contained in the Administration bill: (1) that this immunity shall not insulate from liability a national union or national contractor association when it performs an act under this statute to willfully achieve a purpose which it knows to be unlawful; and (2) that a union shall not by virtue of the performance of its duties under this Act be deemed a representative of any effected employees under the Taft-Hartley Act or become a party to or bear any liability under any contract it approves pursuant to its responsibilities under this Act.

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

December 17, 1975

MEMORANDUM FOR: L. WILLIAM SEIDMAN

Attached for your information is a statement I released to the press this morning which sets forth my views on the merits of the situs picketing and collective bargaining titles of H.R. 5900.

My statement on situs picketing addresses the significant benefits of a single labor policy for construction sites, the importance of area wage standards and work practices to particular construction sites and the merits of peaceful advertisement when different standards and practices exist on the same site.

The Collective Bargaining bill (Title II) constitutes a major constructive step in bargaining which will serve to enhance responsible settlements among the diverse segments and localities of the industry.

John T. Dunlop

Secretary of Labor

Attachment

J.T.D.
12/17/75

H.R. 5900

The Senate on December 15, 1975 passed H. R. 5900 by a vote of 52 to 43. This legislation, composed of Title I (Protection of Economic Rights of Labor in the Construction Industry) and Title II (the Construction Industry Collective Bargaining Act of 1975) will reach the President's desk surrounded by an atmosphere of emotional public and political debate. The debate, mainly focused on the common situs picketing provision, has been one of long standing, going back some 25 years to a situation in Denver, Colorado.

In 1949, a commercial building was being built in Denver by a general contractor with a number of subcontractors.

All the contractors on the project were under collective bargaining agreements with the building trades unions, providing for standard wages and conditions, except the electrical contractor who was paying 42-1/2 cents below the collective bargaining scale in the area. Over this issue, the Denver Building Trades Council engaged in peaceful picketing, bannering the job as "unfair."

The National Labor Relations Board (NLRB) in 1949 held that the picketing was unlawful. Although a Court of Appeals reversed that decision, the case was taken to the Supreme Court which upheld the NLRB's decision that the picketing constituted an enjoinable secondary boycott. However, the picketing would

have been legal if all the contractors were without agreements or if the picketing were confined to a separate gate for the contractor paying below standard wages and conditions.

Since 1951 the labor movement has protested this artificial limitation on the right to picket peacefully against wages and conditions below the collectively bargained area standards in the construction industry.

Employees are intermingled on a construction site, and what occurred in Denver is a prime example of the difficult problems of industrial relations which arise when union employees are working side by side with non-union employees of other contractors with differing labor conditions.

Typically, a construction project consists of a general contractor and a number of subcontractors who perform specialized work such as the heating, plumbing, painting, masonary, and electrical work. On large industrial construction projects, there are a great many subcontractors. Even on simpler jobs there are many subcontractors.

Thus, the simultaneous presence at the same job site of many different employers who may have differing labor policies is the source of the common situs picketing problem.

From one viewpoint, a construction site is a single entity with different crafts performing different functions in an

integrated operation similar to the work of a factory. The electricians at a construction site install the electrical system. Other crafts install other parts of the structure and equipment. In this instance each contractor is not truly an independent economic entity since the speciality work sub-contractor is an agent of other contractors on the site.

On the other hand, there is the view that each contractor is an independent enterprise and as such each should be free to follow its own labor policy.

In general, mixing labor policy on any single job is not conducive to sound labor relations, to cooperation on a job, nor to increased productivity. Rather, mixing labor policies tends more to stimulate disputes between workers operating under different wages and benefits doing the same or similar work, who must necessarily interface with each other for practical purposes. A single, consistent labor policy enhances overall labor relations and, in the long run, results in beneficial gains for both the employers and employees, and the public.

President Truman and four Presidents, starting with President Eisehnower, and all Secretaries of Labor under those

Presidents have supported porposed legislation to permit situs picketing. Senator Robert Taft, Sr., had favored such an amendment to the Taft-Hartley bill.

Secretary Shultz in 1969, testified in support of legislative changes to legalize common situs picketing, specifying five necessary safeguards:

1. other than common situs picketing, no presently unlawful activity should be transformed into lawful activity;
2. the legislation should not apply to general contractors and subcontractors operating under State laws requiring direct and separate contracts on State or municipal projects;
3. the interest of industrial and independent unions must be protected;
4. the legislation should include language to permit enforceability of no-strike clauses of contracts by injunction; and
5. the legislation should encourage the private settlement of disputes which could lead to the total shutting down of a construction project by such means as a requirement for giving notice prior to picketing and limiting the duration of picketing.

H.R. 5900 embodies all of Secretary Shultz' five safeguards. This Administration proposed two new major safeguards in endorsing the legislation, strengthening Shultz's fifth point:

1. the provision for a 10-day notice period, and
2. the requirement that any picketing be authorized in writing by the international union.

These safeguards also are incorporated in H.R. 5900.

In the past six months, as Congress deliberated over common situs picketing, many additional safeguards and new limitations were developed and became a part of the legislation.

Included in H.R. 5900, under Title I, are:

1. the substantial exemption of homebuilding (90 percent of homebuilders doing 60 percent of the volume.)
2. the effective date is deferred until the spring of 1977 for projects under $5 million gross begun by November 15, 1975.
3. for such projects more than $5 million gross, the effective date is deferred until the spring of 1978.
4. A limitation of 14 days of picketing for organizational purposes in construction alone. (Generally, labor organizations in industry are permitted 30 days picketing for organizational purposes.)

Additionally, the extent of the limitations on peaceful picketing in this legislation needs clearly to be understood.

The statute precludes picketing, enjoinable by injunction, in the following circumstances:

- Where such activities are in violation of an existing collective bargaining agreement.
- Where such activities are otherwise a violation of law.
- Where the dispute involves an independent union or a nonconstruction labor organization.
- Where an object is discrimination by reason of sex, race, color or national origin, or because of membership or non-membership in any labor organization.
- Where an object is to discriminate against employees denied union membership, except for failure to pay periodic dues and initiation fees uniformly required.
- Where an object is to cause a cessation of use of a product, processor or manufacturer.
- Where a state law requires separate bids and contract awards on public works.

These are carefully drawn and reasonable restraints and safeguards. They are far more restrictive than those for which the Administration indicated support earlier this year.

TITLE II

In addition to the common situs picketing provisions of Title I, this legislation fills the most urgent need of collective bargaining in the construction industry -- the need for a mechanism to improve the structure of bargaining and dispute settlement. Title II, the Construction Industry Collective Bargaining Act of 1975, will serve to enhance responsible settlements among the diverse segments and localities of the construction industry.

This title of the legislation was developed jointly by the responsible national leaders of labor and management engaged in collective bargaining in the construction industry. It is the culmination of joint efforts of labor and managements, with government, which began at least 10 years ago. This title can be expected to make a significant contribution in this vital but troubled industry, in the year ahead and over the longer term. It constitutes a major constructive step in collective bargaining.

Title II establishes a tripartite Construction Industry Collective Bargaining Committee (CICBC). Title II requires local unions and contractors wishing to terminate or modify a contract to give 60-day notice to their national union. Local contractors and contractor associations are also required to notify the national associations with which they are

affiliated -- or the CICBC, if there is no national contractor association affiliation.

The CICBC has authority to take jurisdiction over contract renewals. An automatic cooling-off period of up to 30 days beyond contract expiration results.

The CICBC may then take any or all of the following actions:

1. Meet with the parties directly
2. Refer the matter to a national labor-management craft board
3. Request direct national union and management participation in the negotiations.

Where a request is made for national union and contractor participation any new contract must be approved by the national union involved -- unless CICBC suspends this requirement.

Title II is designed to minimize "whip sawing" and "leap frogging" which can result in wage and benefit distortions in the construction industry.

The CICBC is composed of 10 representatives of national construction unions, and 10 representatives of national construction contractor associations whose members engage in collective bargaining -- and up to 3 neutral members -- all to be appointed by the President.

The Secretary of Labor and the Director of the Federal Mediation and Conciliation Service are to serve as ex officio members.

Title II is experimental in nature, and must be reviewed after 5 years.

And finally, the opportunity is clear for the CICBC to play a major role in resolving disputes which could lead to common situs picketing.

The charge has been made that H.R. 5900 will breed industrial relations strife and contribute to inflation in the construction industry.

In my considered judgment, this charge is without merit. My judgment is based on personal experience as a mediator and arbitrator in the industry for more than 30 continuous years and is supported by W. J. Usery, Jr., Director of the Federal Mediation and Conciliation Service, and other government labor-management relations officials.

Nor is the bill inflationary. Construction wages and fringe benefits are negotiated typically at intervals of two or three years on an area-wide basis. Issues related to common situs picketing arise on individual projects during the term of the agreement. Experience points to stability in wage settlements in this industry under such a committee.

The increase in average hourly earnings in contract construction were 39.2% from 1970-75, during which period various construction industry bargaining committees operated. During that five year period, construction earnings rose less than,

for example, earnings in steel 63.5%, communications 62.6%, trucking 57.0%, and retail food stores 47.2%. These statistics point clearly to the potential of stability -- not to the inflationary settlements of the late 1960's. The legislation will assure the continuation of efforts toward moderation.

It is time to put to rest in a constructive way the long-time issue of situs picketing and to embark on an agreed-upon procedure to improve the collective bargaining process, to reduce industrial strife, and to achieve responsible terms and conditions of employment in the construction industry.

This legislation, I feel, has realized the best means to arrive at peaceful solutions to many of the contemporary problems and needs of the construction industry.

# # #

Building and Construction Trades Department
AFL-CIO
815 SIXTEENTH ST., N.W., WASHINGTON, D. C. 20006 • DISTRICT 7-1461 A.C. 202

ROBERT A. GEORGINE
President

PRESIDENT ROBERT A. GEORGINE'S OPENING STATEMENT

AT THE SITUS PICKETING PRESS CONFERENCE

AFL-CIO BUILDING, WASHINGTON, D. C.

TUESDAY, 11:30 A.M., DECEMBER 16, 1975

Good Morning.

I have agreed to this press conference on the equal treatment -- or situs picketing -- legislation for several reasons.

First, a number of reporters have expressed the desire to ask me questions concerning the bill, particularly in the last week, during which period both the House -- last Thursday -- and the Senate -- yesterday -- accepted the report of their Conference Committee. As I understand it, the measure right now is en route to the President.

In just a few minutes, I shall attempt to field any questions any of you here may have concerning the legislation. But first there are several things I want to get off my chest.

As you can all appreciate, I am sure, to get this bill through both Houses of Congress required tremendous effort. This has been the No. 1 priority legislation of the Building and Construction Trades Department for more than 25 years. And this is the very first time we were able to even get it to the floor of either House for a vote.

I wanted a press conference also because I have been utterly amazed by the lack of understanding of many individuals and organizations as to what the situs picketing bill does and what it does not.

Now I am not talking about those individuals and organizations which, for their own selfish purposes, distort the provisions or deliberately misinterpret.

I can understand, for example, why the Associated Building Contractors or the Round Table or the Right-to-Work Committee or the National Association of Manufacturers would use any and all means to defeat situs picketing. They are against organized labor, period. They

More

are opposed to anything organized labor seeks, period. They are against the working people in general. This is no secret; everybody knows it.

I also can understand why a number of his alleged Republican "friends" -- and I use friends in quotes because they really are not his friends -- are threatening President Ford in regard to this legislation. They are, as you know, telling him they will dry up contributions to his Presidential campaign if he signs the bill. They are using phony polls and every pressure device known to the trades. About the only partisan reference they are omitting is that 11 Republican Senators, including Bob Taft, and 27 House Republicans voted in favor of the bill. Or that previous Presidents Eisenhower, and Nixon, as well as Truman, Kennedy and Johnson, publicly favored it.

As I say, I can understand this. They are desperate. They have lost their anti-union, anti-working man fight in the Congress. The President is the last hope to do the bidding of that element of our population which is irrevocably against the working man.

If these people really were friends of President Ford or friends of the United States, for that matter, they would be urging him to do that which is in the best interest of the Nation, that which is fair and just and decent and honorable. They would be telling him: "Mr. President, good business is good politics. You just do what is right and we'll stand behind you."

They would not be indulging in political blackmail, threatening to bolt to another candidate if the President's decision happens to displease them. In fact, if they should bend him to their desire this time, is it not likely they will use the same pressures, the same tactics, the same threats everytime President Ford has to act on any measure affecting their particular selfish interest?

This week they are demanding President Ford's veto of energy, tax reform and situs picketing and no one should be fooled that they are going to stop here. The President can never appease a group of people that in essence don't want Gerry Ford in the White House.

Moving on to another area, I am surprised that there is so much misunderstanding and -- perhaps as a direct result -- so much misinformation -- on the part of the press -- especially the editorial writers -- in respect to this bill.

It bothers me a great deal that a number of editorial writers and, particularly, a large number of contractors are not vigorously helping us seek passage of the bill, instead of opposing it.

Haven't they read the collective bargaining section?

There is no need for me to retrace the arguments pro and con with respect to Title I of the Bill entitled "Protection of Economic Rights of Labor in the Construction Industry." Presentations on the subject matter of this Title have been made over a period of a quarter of a century to administrative agencies, courts, committees of Congress, the Congress itself and the President of the United States.

Our whole approach in the legislative process has been to accept proposed changes in the original Bill which do not interfere with our basic principles. We also have made changes which were required by President Ford as a condition for his signature of the Bill.

The Building and Construction Trades unions intend to use the new restrictive authorization in the most responsible way.

(1) The legislation itself provides that the authority may not be used on projects started by November 15, 1975 until the spring of 1977 or 1978 depending on size. There can be no precipitous conflicts.

(2) The legislation also provides for a 10-day notice period and requires written authorization by the international unions.

(3) The building trades unions believe that these problems of the relations among contractors and workers on construction sites are eminently practical questions that require the attention of top labor and management representatives rather than litigation to resolve issues. Accordingly, the building trades unions have resolved to require that any authorization by a national union requires the approval of the Building Trades Department. They will also extend the date to July 1, 1976 before any use of these authorizations on projects started after November 15, 1975.

(a) They intend to use this period to inform and advise local unions as to the statute.

(b) They will work with the national contractor associations to perfect notice requirements and information to be furnished for practical review.

(4) They offer to negotiate with the Building Trades Department to work out with the national contractor associations engaged in

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collective bargaining procedures to be followed in the review at the national level of any requested authorization. They are also prepared to insert mediation and neutrals into the consideration of these cases.

In these ways the use of the new authorization can be orderly developed with due regard to the interests of contractors, owners, workers and the public.

Title II of the Bill is"The Collective Bargaining Act of 1975." The Collective Bargaining Act of 1975 provides a unique opportunity to improve the structure and performance of collective bargaining in construction. The principles of the legislation were jointly developed by labor and management representatives in the industry. The representatives of the associations engaged in collective bargaining all supported the plan.

The building trades unions now call upon the national contractors associations engaged in collective bargaining, to enter immediately into discussions seeking to achieve the following objectives which they have long advocated:

(a) The establishment of craft boards for all sectors of the industry which should seek to resolve all disputes over collective bargaining agreements before any resort to strike or to the Collective Bargaining Committee.

(b) The support through collective bargaining of the means whereby the national parties can adequately finance such craft boards, necessary supplementary date and associated services. Separate funding should be available to each side.

(c) The negotiation of a standard agreement for major industrial work and the exploration of the appropriateness of agreements for other branches of the industry.

(d) The Collective Bargaining Committee established by the legislation is authorized to make recommendations in any case in which the Committee accepts jurisdiction. The building trades unions are prepared to negotiate arrangements under which their affiliates will settle disputes without work stoppage within the framework of the recommendations of the Committee made in particular cases.

In making these declarations and suggestions for discussions with the national contractor associations engaged in collective bargaining

the national building trades unions seek to demonstrate their willingness to act in the best interests of labor and management in the industry, owners and the country.

Now, finally, I know I shall be asked whether I think the President will approve or veto the bill.

Let me say this: I have no doubt whatsoever that the President is going to sign this bill. He's an honest man. He has a great deal of integrity. In the final analysis, he's going to keep his commitment and do what is in the best interests of the country, in spite of the tremendous pressure to yield to the demands of a very vocal minority.

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For Additional Information
Alvin Silverman
(202) 628-1688

THE WHITE HOUSE

WASHINGTON

December 18, 1975

MEMORANDUM FOR: JIM CANNON
JIM CAVANAUGH

FROM: DAVID LISS

SUBJECT: COMMON SITUS PICKETING

The attached reflects Secretary Dunlop's analysis of the Common Situs issue and presents arguments in support of the measure. I think it is worthy of your review.

Attachment

J.T.D.
12/17/75

H.R. 5900

The Senate on December 15, 1975 passed H. R. 5900 by a vote of 52 to 43. This legislation, composed of Title I (Protection of Economic Rights of Labor in the Construction Industry) and Title II (the Construction Industry Collective Bargaining Act of 1975) will reach the President's desk surrounded by an atmosphere of emotional public and political debate. The debate, mainly focused on the common situs picketing provision, has been one of long standing, going back some 25 years to a situation in Denver, Colorado.

In 1949, a commercial building was being built in Denver by a general contractor with a number of subcontractors.

All the contractors on the project were under collective bargaining agreements with the building trades unions, providing for standard wages and conditions, except the electrical contractor who was paying 42-1/2 cents below the collective bargaining scale in the area. Over this issue, the Denver Building Trades Council engaged in peaceful picketing, bannering the job as "unfair."

The National Labor Relations Board (NLRB) in 1949 held that the picketing was unlawful. Although a Court of Appeals reversed that decision, the case was taken to the Supreme Court which upheld the NLRB's decision that the picketing constituted an enjoinable secondary boycott. However, the picketing would

have been legal if all the contractors were without agreements or if the picketing were confined to a separate gate for the contractor paying below standard wages and conditions.

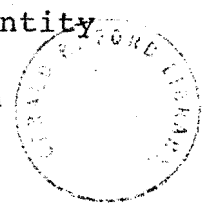
Since 1951 the labor movement has protested this artificial limitation on the right to picket peacefully against wages and conditions below the collectively bargained area standards in the construction industry.

Employees are intermingled on a construction site, and what occurred in Denver is a prime example of the difficult problems of industrial relations which arise when union employees are working side by side with non-union employees of other contractors with differing labor conditions.

Typically, a construction project consists of a general contractor and a number of subcontractors who perform specialized work such as the heating, plumbing, painting, masonary, and electrical work. On large industrial construction projects, there are a great many subcontractors. Even on simpler jobs there are many subcontractors.

Thus, the simultaneous presence at the same job site of many different employers who may have differing labor policies is the source of the common situs picketing problem.

From one viewpoint, a construction site is a single entity with different crafts performing different functions in an



integrated operation similar to the work of a factory. The electricians at a construction site install the electrical system. Other crafts install other parts of the structure and equipment. In this instance each contractor is not truly an independent economic entity since the speciality work sub-contractor is an agent of other contractors on the site.

On the other hand, there is the view that each contractor is an independent enterprise and as such each should be free to follow its own labor policy.

In general, mixing labor policy on any single job is not conducive to sound labor relations, to cooperation on a job, nor to increased productivity. Rather, mixing labor policies tends more to stimulate disputes between workers operating under different wages and benefits doing the same or similar work, who must necessarily interface with each other for practical purposes. A single, consistent labor policy enhances overall labor relations and, in the long run, results in beneficial gains for both the employers and employees, and the public.

President Truman and four Presidents, starting with President Eisehnower, and all Secretaries of Labor under those

Presidents have supported porposed legislation to permit situs picketing. Senator Robert Taft, Sr., had favored such an amendment to the Taft-Hartley bill.

Secretary Shultz in 1969, testified in support of legislative changes to legalize common situs picketing, specifying five necessary safeguards:

1. other than common situs picketing, no presently unlawful activity should be transformed into lawful activity;
2. the legislation should not apply to general contractors and subcontractors operating under State laws requiring direct and separate contracts on State or municipal projects;
3. the interest of industrial and independent unions must be protected;
4. the legislation should include language to permit enforceability of no-strike clauses of contracts by injunction; and
5. the legislation should encourage the private settlement of disputes which could lead to the total shutting down of a construction project by such means as a requirement for giving notice prior to picketing and limiting the duration of picketing.

H.R. 5900 embodies all of Secretary Shultz' five safeguards.

This Administration proposed two new major safeguards in endorsing the legislation, strengthening Shultz's fifth point:

1. the provision for a 10-day notice period, and
2. the requirement that any picketing be authorized in writing by the international union.

These safeguards also are incorporated in H.R. 5900.

In the past six months, as Congress deliberated over common situs picketing, many additional safeguards and new limitations were developed and became a part of the legislation.

Included in H.R. 5900, under Title I, are:

1. the substantial exemption of homebuilding (90 percent of homebuilders doing 60 percent of the volume.)
2. the effective date is deferred until the spring of 1977 for projects under $5 million gross begun by November 15, 1975.
3. for such projects more than $5 million gross, the effective date is deferred until the spring of 1978.
4. A limitation of 14 days of picketing for organizational purposes in construction alone. (Generally, labor organizations in industry are permitted 30 days picketing for organizational purposes.)

Additionally, the extent of the limitations on peaceful picketing in this legislation needs clearly to be understood.

The statute precludes picketing, enjoinable by injunction, in the following circumstances:

- Where such activities are in violation of an existing collective bargaining agreement.
- Where such activities are otherwise a violation of law.
- Where the dispute involves an independent union or a nonconstruction labor organization.
- Where an object is discrimination by reason of sex, race, color or national origin, or because of membership or non-membership in any labor organization.
- Where an object is to discriminate against employees denied union membership, except for failure to pay periodic dues and initiation fees uniformly required.
- Where an object is to cause a cessation of use of a product, processor or manufacturer.
- Where a state law requires separate bids and contract awards on public works.

These are carefully drawn and reasonable restraints and safeguards. They are far more restrictive than those for which the Administration indicated support earlier this year.

TITLE II

In addition to the common situs picketing provisions of Title I, this legislation fills the most urgent need of collective bargaining in the construction industry -- the need for a mechanism to improve the structure of bargaining and dispute settlement. Title II, the Construction Industry Collective Bargaining Act of 1975, will serve to enhance responsible settlements among the diverse segments and localities of the construction industry.

This title of the legislation was developed jointly by the responsible national leaders of labor and management engaged in collective bargaining in the construction industry. It is the culmination of joint efforts of labor and managements, with government, which began at least 10 years ago. This title can be expected to make a significant contribution in this vital but troubled industry, in the year ahead and over the longer term. It constitutes a major constructive step in collective bargaining.

Title II establishes a tripartite Construction Industry Collective Bargaining Committee (CICBC). Title II requires local unions and contractors wishing to terminate or modify a contract to give 60-day notice to their national union. Local contractors and contractor associations are also required to notify the national associations with which they are

affiliated -- or the CICBC, if there is no national contractor association affiliation.

The CICBC has authority to take jurisdiction over contract renewals. An automatic cooling-off period of up to 30 days beyond contract expiration results.

The CICBC may then take any or all of the following actions:

1. Meet with the parties directly
2. Refer the matter to a national labor-management craft board
3. Request direct national union and management participation in the negotiations.

Where a request is made for national union and contractor participation any new contract must be approved by the national union involved -- unless CICBC suspends this requirement.

Title II is designed to minimize "whip sawing" and "leap frogging" which can result in wage and benefit distortions in the construction industry.

The CICBC is composed of 10 representatives of national construction unions, and 10 representatives of national construction contractor associations whose members engage in collective bargaining -- and up to 3 neutral members -- all to be appointed by the President.

The Secretary of Labor and the Director of the Federal Mediation and Conciliation Service are to serve as ex officio members.

Title II is experimental in nature, and must be reviewed after 5 years.

And finally, the opportunity is clear for the CICBC to play a major role in resolving disputes which could lead to common situs picketing.

The charge has been made that H.R. 5900 will breed industrial relations strife and contribute to inflation in the construction industry.

In my considered judgment, this charge is without merit. My judgment is based on personal experience as a mediator and arbitrator in the industry for more than 30 continuous years and is supported by W. J. Usery, Jr., Director of the Federal Mediation and Conciliation Service, and other government labor-management relations officials.

Nor is the bill inflationary. Construction wages and fringe benefits are negotiated typically at intervals of two or three years on an area-wide basis. Issues related to common situs picketing arise on individual projects during the term of the agreement. Experience points to stability in wage settlements in this industry under such a committee.

The increase in average hourly earnings in contract construction were 39.2% from 1970-75, during which period various construction industry bargaining committees operated. During that five year period, construction earnings rose less than,

for example, earnings in steel 63.5%, communications 62.6%, trucking 57.0%, and retail food stores 47.2%. These statistics point clearly to the potential of stability -- not to the inflationary settlements of the late 1960's. The legislation will assure the continuation of efforts toward moderation.

It is time to put to rest in a constructive way the long-time issue of situs picketing and to embark on an agreed-upon procedure to improve the collective bargaining process, to reduce industrial strife, and to achieve responsible terms and conditions of employment in the construction industry.

This legislation, I feel, has realized the best means to arrive at peaceful solutions to many of the contemporary problems and needs of the construction industry.

# # #

THE WHITE HOUSE
WASHINGTON

Date 10/17

TO: Jim Cavanaugh

FROM: DAVID LISSY

_____ FYI

_____ For Appropriate Action

COMMENTS CEA staff papers on Common situs picketing - as we discussed.

DL

UNITED STATES GOVERNMENT

Memorandum

TO : Alan Greenspan DATE: November 21, 1975

FROM : Barry R. Chiswick

SUBJECT: Situs Picketing

Attached is a memo on the situs picketing and construction industry collective bargaining issues in the bill in conference. It includes a table on union/nonunion wage differentials.

Also attached is the Monthly Labor Review article on union/nonunion wage differentials in the construction industry.

Attachment
cc: PM, BM, JD, Weekly Reader

Situs Picketing and the Construction Industry
Collective Bargaining Committee

Federal legislation provides unique protection from economic competition for the construction trades unions. The Davis-Bacon Act, and equivalent legislation in many states, requires that construction workers on projects that are at least partially funded (even if less than 5 percent) by the Government, or have Government loan guarantees, must pay workers in each occupation what the Department of Labor determines is the prevailing wage in that area for that occupation. The prevailing wage is in effect determined to be the union wage.

Because of the increase in construction projects that are at least partially Government supported, there has been greater scope for the construction unions to increase their wage rates in excess of the competitive level. To the extent that large construction projects use union hiring halls as a source of labor, they too pay these artificially high wages.

Data collected by the Bureau of Labor Statistics on wage rates of construction workers in 21 areas indicate that union wage rates are substantially higher than non-union wage rates (Table 1). The gap between union and nonunion average straight-time hourly earnings for carpenters (1972), numerically the most important journeyman trade studied, ranged from 15 percent in New York to 84 percent in Hartford. Union carpenters typically earned 35 to 50 percent more per hour than nonunion workers. For construction laborers the differential in favor of unions was usually between 40 and 65 percent. Similar union/nonunion wage differentials exist for the other construction occupations. There appears to be little variation in wage rates received within a city for nonunion projects or for union projects, but a large difference persists between the union and nonunion sectors.

These high union/nonunion wage differentials are not the result of low nonunion wages -- nonunion carpenters in New York earned $7.49 per hour -- but rather high wages for the union sector. There are also reports that union members working at nonunion wages on nonunion projects when they cannot find employment at the union wage is becoming more common.

One major implication of these data is that Government assisted projects are more expensive than need be because of the high wages paid to union construction workers, workers whose annual incomes are well in excess of low income levels.

The Situs Picketing Bill and the Construction Collective Bargaining Reform Bill, which have recently been combined by Congress into one measure, would alter the relative bargaining power of contractors and unions, and increase the proportion of construction projects under union jurisdiction.

A secondary boycott is union activity against one employer, such as a prime contractor, to induce that party to put pressure on another employer with which the union has a dispute, such as a subcontractor. In "general industry" only one employer typically uses a particular site, while in construction several subcontractors will typically work on a given site at a point in time, although performing different tasks. As a result, the issue of secondary boycotts is more difficult in the construction sector, and union picketing activity has been more narrowly restricted.

In construction, but not general industry, pickets may demonstrate only by the gate used by the workers of the employer against whom the strike has been called. In addition, the picketing is permitted only when the employer's workers are or would be on the site. The current situation allows pickets at places and times that are relevant to the workers in the firm subject to the strike. Yet, it also provides protection from pickets and harassment for the other subcontractors and workers in neutral firms that are at the construction site.

The proposed legislation on situs picketing would substantially change this situation and give construction unions greater rights and privileges than those employed by industrial unions. The bill would permit construction unions to picket an entire job site, thereby closing down entire construction projects and increasing the pressure on employers to grant higher wages. That is, a union with a disagreement with a small subcontractor on a large project could picket not only that subcontractor (as at present) but also the prime contractor and all of the other subcontractors.

The legislation may also give unions the right to picket entire industrial plants and public utilities in which there is a construction project. The picketing power could be used to force a prime contractor to bar a disfavored (e.g., nonunion) construction subcontractor from the job site or to force a construction employer to recognize and bargain with a union that his employers have never elected as their bargaining representative. Under present law this would be an illegal secondary boycott.

The situs picketing legislation would spread the scope of union jurisdiction, and decrease the opportunity for nonunion projects on which wages are determined by competitive forces. The result would be further increases in the union wage, higher construction costs and a widening of the union/nonunion wage differential.

The proposed Construction Industry Collective Bargaining Committee would be an appointed body with extraordinary authority. The Committee could delay a strike or a lock-out for up to 30 days

after contract expiration. Under the Taft-Hartly Act the President must demonstrate that a strike endangers the national health, safety or welfare to obtain a court order. The Construction Committee, however, is not to be subject to such constraints.

If the Committee intervenes, and it may do so up to 30 days prior to contract expiration, the national union must approve, but is not legally responsible for, the negotiated agreement. The effect is to create national collective bargaining for the construction sector by limiting the freedom of local unions and local contractors to reach their own agreement. It will reduce competition between local unions (i.e., inter-area competition) by requiring national approval of contracts. Higher contract awards can be expected to follow.

This is an unprecedented permanent treatment of labor-management relations. It runs counter to the Administration's general approach that there has been too much regulation by public or quasi-public agencies, and too little reliance on competitive markets.

Table 1

Average Hourly Earnings of Workers in Construction Industries, by Selected Occupations and Areas, September 1972

	Hartford	New York	Dallas	Indianapolis	Denver
Carpenters					
Union	$8.12	8.58	6.62	8.17	6.57
Nonunion	$4.41	7.49	4.91	5.77	4.81
Ratio	1.84	1.15	1.35	1.42	1.37
Electricians					
Union	$8.72	8.49	7.40	8.20	8.04
Nonunion	$5.32	(1)	4.49	(1)	5.68
Ratio	1.63	--	1.65	--	1.42
Plumbers					
Union	$8.65	8.43	(1)	8.15	7.70
Nonunion	$5.52	5.40	5.09	4.59	(1)
Ratio	1.57	1.56	--	1.78	--
Construction Laborers					
Union	$6.39	7.04	4.64	5.51	4.36
Nonunion	$4.57	4.97	2.62	3.74	3.41
Ratio	1.40	1.42	1.77	1.47	1.28

(1) Insufficient sample size to warrant presentation of average wage.

Source: Martin E. Personick, "Union and Nonunion Pay Patterns in Construction," Monthly Labor Review, August 1974, Table 1, p. 72.

UNION AND NONUNION PAY PATTERNS IN CONSTRUCTION

MARTIN E. PERSONICK

CONSTRUCTION WORKERS paid rates set by labor-management agreements enjoy substantial, although widely varying, wage advantages over their nonunion counterparts. This is one of the findings of the first Bureau of Labor Statistics survey in more than 35 years[1] on occupational pay and supplemental benefits paid to workers engaged in residential and commercial building and in highway, street, and other heavy construction. It covered 531,000 construction workers in 21 areas.

The gap between union and nonunion average straight-time hourly earnings for carpenters, numerically the most important journeyman trade studied, ranged from 15 percent in New York to 84 percent in Hartford during the fall of 1972. Union carpenters typically earned between 35 and 50 percent more per hour than their nonunion counterparts. (See table 1.) For construction laborers, the largest unskilled occupation studied, the union to nonunion wage differential was usually somewhat larger, ranging from 40 to 65 percent; at the extremes for laborers, the union-nonunion wage gap was 6 percent in Chicago compared with 77 percent in Dallas. Although limited by BLS publication standards to fewer than half of the areas studied, similar comparisons showed wide margins in favor of union electricians and plumbers—typically 55 to 70 percent above nonunion rates—and usually 35 to 50 percent for union cement masons.

Union firms accounted for four-fifths of the construction workers within the scope of the September 1972 survey. A majority of construction workers were paid rates set by labor-management agreement in all areas surveyed except in Biloxi, Dallas, and Washington, where between 35 and 45 percent were paid such rates. The proportion of union workers exceeded 90 percent in nine areas studied: Buffalo, Chicago, Kansas City, Los Angeles, Minneapolis–St. Paul, New York, Portland, St. Louis, and San Francisco.

Unionization in the construction industry is organized into craft groups that claim jurisdiction over specific types of work, such as carpentry and plumbing, in their local areas. The variations in bargaining power among these union locals within and among areas explain, to some extent, the wide differences in union wage advantages. Other factors contributing to the average union-nonunion wage relationship for an occupation in an area include the degree of craft unionization and, hence, the influence of rate-setting decisions on nonunion contractors; the amount of federally funded construction activity[2] requiring the payment of "prevailing" rates and benefits paid; and the distribution of workers by type of construction project, especially residential versus commercial building.

Survey results substantiate the common belief that construction workers on commercial building projects typically receive higher wages than those at residential sites. The primary influence on this relationship, however, is the disproportionately large share of the commercial work force that is unionized compared with that for residential buildings of under five stories. For example, on the Washington area's com-

Martin E. Personick is an economist in the Division of Occupational Wage Structures, Bureau of Labor Statistics.

MONTHLY LABOR REVIEW, August 1974

mercial construction projects, nearly nine-tenths of the carpenters and three-fourths of the laborers were paid union rates; on the area's residential construction sites, in contrast, all carpenters and nine-tenths of the laborers were paid nonunion rates. (See table 2.)

While the average wage rate for all construction workers was generally higher on commercial than residential projects, the difference was much less pronounced when only union or nonunion wage rates were compared. In the Washington metropolitan area, for example, the commercial to residential average wage rate spreads for all carpenters and laborers of 41 and 53 percent in September 1972 were reduced to 3 and 5 percent, respectively, when only *nonunion* rates were compared. A similar comparison in the union sector also revealed relatively small or no differentials in commercial and residential rates.

Although substantially below union construction rates in most areas studied, earnings of nonunion construction carpenters and electricians were typically equal to or above those of such employers performing maintenance work in private industry outside of construction. Compared with the average earnings of maintenance carpenters in seven areas surveyed by the Bureau in the second half of 1972,[3] wage levels of nonunion construction carpenters were higher by 2 percent in Denver, 4 percent in Philadelphia, 9 percent in Indianapolis, 10 percent in

Table 1. Average hourly earnings of workers in construction industries, by selected occupations and areas, September 1972

Occupation and union status	Northeast					South					
	Boston	Buffalo	Hartford	New York [1]	Philadelphia	Atlanta	Biloxi [2]	Dallas	Memphis	Miami	Washington
JOURNEYMEN											
Bricklayers—total [3]	$8.13	$8.66	$8.56	$8.41	$8.41	$7.77	$5.23	$7.16	----	$8.01	$7.87
Union	8.40	8.66	8.71	8.41	8.72	7.80	----	7.38	----	8.10	8.32
Carpenters—total	7.91	7.83	7.08	8.41	8.02	6.12	5.19	5.82	$5.72	7.77	6.49
Union	8.09	8.11	8.12	8.58	8.65	7.40	6.03	6.62	6.85	7.94	7.76
Nonunion	6.46	5.03	4.41	7.49	5.24	5.03	4.23	4.91	4.21	5.75	5.27
Cement masons—total	8.23	8.89	8.76	7.89	7.16	6.53	5.11	4.87	5.49	7.46	6.00
Union	8.63	9.04	8.76	8.09	7.52	6.95	6.02	6.59	6.57	7.71	7.52
Nonunion	----	----	----	----	5.37	3.61	4.29	4.41	4.88	5.58	5.18
Electricians—total	8.08	9.71	7.75	8.48	8.35	8.20	6.05	5.40	6.74	8.33	7.83
Union	8.58	9.71	8.72	8.49	9.30	8.67	6.37	7.40	6.83	8.50	8.72
Nonunion	5.07	----	5.32	----	5.85	----	4.15	4.49	----	7.00	5.64
Pipefitters—total [3]	9.01	9.30	8.31	8.07	8.69	7.57	----	6.88	7.21	9.16	8.59
Union	9.01	9.30	8.79	8.07	8.93	7.76	----	7.20	7.17	9.16	8.87
Plumbers—total	8.23	9.14	6.84	8.11	7.31	7.34	4.50	5.62	7.18	8.39	6.89
Union	9.35	9.20	8.65	8.43	8.98	----	----	----	7.44	9.16	8.76
Nonunion	7.11	----	5.52	5.40	5.35	----	3.99	5.03	----	6.23	5.36
Roofers—total	8.00	----	8.01	7.46	----	5.39	----	4.21	----	6.61	6.24
Union	8.00	----	8.01	8.30	----	5.65	----	----	----	7.77	----
Sheet-metal workers—total	7.85	8.50	8.70	9.81	9.16	4.61	5.88	6.06	6.87	8.67	6.73
Union	8.68	8.50	8.70	10.33	9.70	----	----	----	7.22	9.20	8.05
Nonunion	----	----	----	----	5.68	3.91	----	3.81	----	----	4.99
Structural-iron workers—total [3]	8.13	8.71	9.30	9.25	8.69	6.80	----	----	----	8.25	8.23
EQUIPMENT OPERATORS											
Back-hoe operators—total	8.11	8.58	7.20	9.16	8.67	4.90	5.07	3.58	4.15	6.25	6.20
Union	8.71	8.59	8.01	9.14	9.37	7.03	----	----	6.08	7.22	6.91
Nonunion	----	----	6.60	9.54	----	4.10	3.93	3.29	3.80	----	5.75
Bulldozer operators—total	7.96	6.26	6.24	8.77	8.39	4.86	4.69	3.54	3.96	5.49	5.87
Union	8.16	8.53	6.83	8.98	8.39	----	6.55	----	5.79	6.03	7.01
Nonunion	----	----	5.62	----	----	3.85	3.71	3.54	3.46	4.11	4.93
Truckdrivers—total	6.08	7.36	5.06	6.61	5.41	3.06	2.58	2.76	3.11	3.39	4.05
Union	----	7.19	5.61	6.61	5.59	----	----	----	----	----	4.29
Nonunion	----	----	4.11	----	4.04	2.97	2.34	2.76	2.76	3.21	3.68
HELPERS AND LABORERS											
Bricklayers' helper—total [3]	6.47	----	6.25	7.42	6.17	----	----	4.04	----	----	4.37
Carpenters' helpers—total [3]	3.66	4.92	3.59	3.84	3.63	3.80	2.68	3.91	----	4.21	4.02
Construction laborers—total	6.14	6.38	5.73	6.86	5.81	3.54	2.80	3.25	3.21	5.31	4.33
Union	6.36	6.43	6.39	7.04	6.11	4.49	3.92	4.64	3.97	5.74	5.65
Nonunion	5.04	----	4.57	4.97	3.74	3.00	2.52	2.62	2.42	3.47	3.47
Electricians' helpers—total [3]	----	----	----	----	3.62	----	2.77	2.87	----	4.21	3.39
Plumbers' helpers—total [3]	3.24	----	2.81	3.58	----	----	2.72	3.10	----	3.23	4.44

See footnotes at end of table.

Table 1. Continued—Average hourly earnings of workers in construction industries by selected occupations and areas, September 1972

Occupation and union status	North Central						West			
	Chicago	Des Moines	Indianapolis	Kansas City	Minneapolis	St. Louis	Denver	Los Angeles [2]	Portland	San Francisco-Oakland
JOURNEYMEN										
Bricklayers—total [3]	$8.95	----	$7.87	$7.73	$7.61	$7.81	$8.21	$7.78	----	$8.50
Union	8.95	----	8.55	7.73	7.61	7.81	8.25	7.78	----	8.50
Carpenters—total	8.32	$6.18	7.69	8.00	7.12	7.79	6.29	6.76	$6.78	8.10
Union	8.32	7.01	8.17	8.00	7.13	7.79	6.57	6.76	6.78	8.10
Nonunion	----	----	5.77	----	----	----	4.81	----	----	----
Cement masons—total	8.88	6.80	6.82	8.14	7.66	7.24	6.43	6.16	6.81	7.18
Union	8.89	6.80	7.07	8.14	7.66	7.24	6.43	6.16	6.81	7.18
Nonunion	8.60	----	----	----	----	----	6.41	----	----	----
Electricians—total	8.98	7.47	7.97	7.81	7.59	7.85	7.64	9.09	7.50	8.03
Union	9.05	7.47	8.20	7.87	8.00	7.85	8.04	9.09	7.50	8.03
Nonunion	6.63	----	----	----	----	----	5.68	----	----	----
Pipefitters—total [3]	8.93	----	7.15	8.62	7.35	7.81	7.70	8.31	6.61	8.43
Union	8.98	----	7.90	8.62	7.35	7.81	7.70	8.31	6.61	8.43
Plumbers—total	8.69	7.05	5.80	8.71	7.34	8.18	7.50	8.19	6.61	8.29
Union	8.75	7.09	8.15	8.71	7.32	8.18	7.70	8.34	6.61	8.29
Nonunion	----	----	4.59	----	----	----	----	7.35	----	----
Roofers—total	8.62	----	----	----	----	----	----	7.02	----	7.92
Union	8.62	----	----	----	----	----	----	7.09	----	7.92
Sheet-metal workers—total	8.54	7.50	6.10	8.70	7.78	7.95	8.17	8.80	6.83	8.11
Union	8.54	7.50	7.93	8.70	7.78	7.95	8.17	8.80	6.83	8.11
Nonunion	----	----	5.14	----	----	----	----	----	----	----
Structural-iron workers—total [3]	9.30	6.98	8.25	8.50	----	8.05	7.25	8.58	7.31	8.57
EQUIPMENT OPERATORS										
Back-hoe operators—total	8.68	5.91	7.01	8.50	7.57	7.86	5.64	7.87	6.86	8.59
Union	8.68	6.28	7.48	8.50	7.57	8.08	5.73	7.87	----	8.59
Nonunion	----	----	----	----	----	----	5.50	----	----	----
Bulldozer operators—total	8.52	5.94	7.29	8.48	7.38	8.06	5.56	7.89	----	8.27
Union	8.52	6.13	7.57	8.48	7.38	8.06	5.59	7.89	----	8.27
Nonunion	----	----	----	----	----	----	----	----	----	----
Truckdrivers—total	5.98	5.10	4.94	7.07	6.53	6.67	4.65	6.34	6.18	6.89
Union	6.01	5.10	4.95	7.07	6.56	6.67	4.93	6.34	----	6.89
Nonunion	----	----	----	----	----	----	----	----	----	----
HELPERS AND LABORERS										
Bricklayers' helpers—total [3]	----	----	----	5.93	6.05	7.23	4.74	6.00	----	----
Carpenters' helpers—total [3]	----	----	----	----	----	----	4.19	----	----	----
Construction laborers—total	6.21	5.12	4.82	6.24	5.91	6.88	4.23	5.50	5.01	5.47
Union	6.22	5.73	5.51	6.23	5.93	6.89	4.36	5.50	5.10	5.47
Nonunion	5.85	3.27	3.74	----	5.46	----	3.41	----	----	----
Electricians' helpers—total [3]	----	----	----	----	----	----	3.31	----	----	----
Plumbers' helpers—total [3]	----	4.94	----	5.78	----	7.32	3.71	----	----	----

[1] The survey reference month was October 1972.

[2] Shortened terms for Biloxi-Gulport and Pascagoula area and combined SMSA's of Los Angeles–Long Beach and Anaheim–Santa Ana–Garden Grove area.

[3] Insufficient published data to warrant separate presentation of union and/or nonunion rates.

NOTE: Dashes indicate no data reported or data that do not meet publication criteria. Average hourly earnings exclude premium pay for overtime and hazardous work and for work on weekends, holidays, and late shifts. Zone rates (usually based on distance between local union headquarters and the construction site) are included in straight-time rates for purposes of this survey.

The survey covered establishments employing 8 workers or more and engaged primarily in construction, i.e., building construction by general contractors; construction other than building by general contractors; construction by selected special trades contractors; and construction by operative builders, those building for sale on their own account. (Industry Groups 15, 16, part of 17, and 656 as defined in the 1967 edition of the Standard Industrial Classification Manual, prepared by the U.S. Office of Management and Budget.) Specifically excluded were special trades contractors primarily engaged in painting, paper hanging, and decorating; plastering and lathing; terrazzo, tile, marble, and mosaic work; floor laying; water well drilling; ornamental iron work; glass and glazing work; and special trades contractors not classified separately in the Manual.

All areas studied except Biloxi were Standard Metropolitan Statistical Areas, as defined by the Office of Management and Budget through November 1971.

Dallas, 15 percent in Miami, and 29 percent in Boston; and lower by 6 percent in Memphis. Similarly, earnings of nonunion construction electricians exceeded those of maintenance electricians by 3 percent in Boston, 12 percent in Denver, 19 percent in Philadelphia, and 32 percent in Miami; but were about the same in Dallas. (Comparisons were not possible for Indianapolis and Memphis.)

Nonunion contractors typically had relatively smaller work forces than their union counterparts. In this study, nonunion contractors accounted for one-fourth of all construction workers in firms with 50 or fewer employees but for less than one-tenth in those with 250 or more. The construction survey excluded contractors with fewer than eight workers.

Occupational staffing among the 21 areas studied

primarily reflected the level and kinds of skill required for the construction projects underway at that time. Employment counts from the construction wage survey, however, are intended only as a general guide to the size and composition of the work force rather than a precise measure of employment. Better examples of varying staffing patterns by type of construction project are found in the Bureau's ongoing surveys of construction labor requirements. Such studies conducted during the 1960's, for example, show the proportion of onsite man-hours attributable to skilled trades ranging from about 70 percent in the construction of private single-family houses and hospitals to slightly over 25 percent in sewer line construction. (See table 3.)

Variations in the individual occupations required also reflect the nature of the construction. The relatively large demand for plumbers in hospital construction, for example, reflects the extensive need for sanitation, laboratory and therapy installations, and lavatory and toilet facilities. Similarly, the demand for electricians results from a widespread use of electrically operated surgical and medical machines and communication equipment.

A comprehensive bulletin—to be issued later this year—will contain additional occupational data on the distribution of earnings; the amount of contributions by the employer to union benefit funds providing insurance, pensions, and other "fringes"; the incidence of selected benefit plans provided to workers not under labor-management agreements; and the overtime pay provisions affecting union and nonunion construction workers. □

Table 2. Number and average hourly earnings of workers in construction industries, by type of building project, selected occupations, and areas, September 1972

Type of building construction and union status	Carpenters			Construction laborers		
	Atlanta	Dallas	Washington	Atlanta	Dallas	Washington
UNION AND NONUNION COMBINED						
Commercial:						
Workers	1,416	2,097	2,981	4,512	3,045	5,895
Earnings	$6.27	$6.33	$7.47	$3.76	$3.91	$5.41
Residential, under 5 stories:						
Workers	217	796	2,205	774	979	4,642
Earnings	$4.95	$4.79	$5.28	$3.63	$2.95	$3.54
Commercial as percent of residential:[1]						
Earnings	127	132	141	104	133	153
NONUNION						
Commercial:						
Workers	721	543	374	2,473	1,343	1,415
Earnings	$5.19	$5.38	$5.44	$3.21	$3.01	$3.60
Residential, under 5 stories:						
Workers	177	736	2,205	504	839	4,176
Earnings	$4.40	$4.75	$5.28	$3.11	$2.64	$3.42
Commercial as percent of residential:[1]						
Earnings	118	113	103	103	114	105

[1] Average hourly earnings in residential construction under 5 stories equals 100.

Table 3. Percent distribution of onsite man-hours for selected types of construction projects, by occupation, 1959–70

Occupation[1]	Residential		Commercial			Heavy construction	
	Private single-family houses	Public housing	Elementary and secondary schools	Hospitals	Federally aided highways	Civil works, land projects	Sewer lines
All occupations	100	100	100	100	100	100	100
Supervisory, professional, technical, and clerical	3	4	4	3	6	10	10
Skilled trades	69	64	64	70	47	41	27
Bricklayers	6	8	9	5	------	------	1
Carpenters	35	20	17	13	6	6	2
Electricians	3	6	7	10	1	------	(2)
Operating engineers	2	3	3	2	25	24	20
Plumbers	4	9	10	16	(2)	------	(2)
Semiskilled and unskilled workers	28	32	32	26	47	49	63
Helpers and tenders	14	7	7	6	------	1	2
Laborers	14	23	24	19	34	22	43
Truckdrivers	1	2	1	1	11	14	4

[1] Percentages shown for overall skilled trades and semiskilled-unskilled worker classifications may include data for workers in occupations not shown separately.

[2] Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not add to totals.

SOURCE: BLS Bulletins 1390, 1490, 1586, 1691, 1755 and Monthly Labor Review, April 1972 and June 1973.

FOOTNOTES

[1] See Edward P. Sanford, "Wage Rates and Hours of Labor in the Building Trades," *Monthly Labor Review*, August 1937, pp. 281–300.

[2] The Davis-Bacon Act provides that any contractor performing construction work on a project that is federally funded or federally assisted must pay each of his employees working on the project at least the prevailing area wage rate for his occupation, plus the prevailing value of fringe benefits. In an area where a majority of the workers are unionized, the prevailing rate and benefits are usually designated as the union rate for that occupation. For purposes of this study, workers of nonunion contractors were *not* considered as receiving a union rate even though the rate for the federally funded project was set (or determined as prevailing) at the union rate for the occupation in the area. Nonunion workers at federally funded projects will often be paid more than the basic union rate since their wage rates will include the prevailing value of fringe benefits.

[3] The Bureau's area wage survey program covers estab-

lishments with 50 workers or more in manufacturing; transportation, communication, and other public utilities; wholesale trade; retail trade; finance, insurance, and real estate; and selected service industries. In the Nation's 12 largest communities, employment minimums of 100 workers are required for firms within the survey's scope in manufacturing; transportation, communication, and other public utilities; and retail trade. Area wage surveys were conducted in 90 metropolitan areas throughout the country in 1972.

THE WHITE HOUSE
WASHINGTON

Date 12 · 18

TO: Jim Cannon

FROM: DAVID LISSY

✓ FYI

_____ For Appropriate Action

COMMENTS

Justice White and the Chief Justice questioned Marrs concerning the distinction between the argument that Congress has fully occupied this field of regulation and thereby preempted the states, and the view that the state law is in conflict with federal law. "I gather there is no doubt that Congress can occupy the whole field if it wants," the Chief Justice cais.

(De-Canas, et al. v. Bica, et al.; No. 74-882.)

- 0 -

BUILDING TRADES CHIEF SAYS FORD PERSONALLY TOLD HIM HE WOULD SIGN SITUS PICKETING BILL

Robert A. Georgine, president of the AFL-CIO Building and Construction Trades Department, says President Ford personally has assured him on a number of occasions that he will sign the situs picketing bill.

At a press conference, he says: "I have no doubt whatsoever that the President is going to sign this bill." Asked what he would do if the bill (H.R. 5900) is vetoed, Georgine replied: "I think too much of the President to think he won't sign it." Pressed further, Georgine said that in the event the President vetoes the bill, construction unions would "actively work against him in the upcoming election. "We go against those who don't support us," he said.

The bill, which cleared Congress by winning Senate approval on December 15 by a vote of 52 to 43, "will probably have a more stabilizing effect on the construction industry than any bill in the past 25 years," according to Georgine. The House passed the conference measure, 229 to 189, on December 11.

He stressed that "this is a bipartisan bill which the Administration has supported and was tailor-made for its approval." The bill has been "weakened appreciably" by amendments, making it more "management oriented" and hence more palatable to business groups, he asserted.

"The bill meets every requirement to the letter that the President had requested, plus many more that Congress thought were necessary," Georgine emphasized in furtherance of his opinion that the President will sign it. The President "would be breaking his faith with the working man" if he doesn't, he added. In a prepared statement, Georgine said this about the President and the decision he faces on the situs picketing bill:

> "He's an honest man, he has a great deal of integrity. In the final analysis, he's going to keep his commitment and do what is in the best interests of the country, in spite of the tremendous pressure to yield to the demands of a very vocal minority."

Georgine said such groups as the Associated General Contractors of America, Business Roundtable, National Right-to-Work Committee, National Association of Manufacturers and others have distorted or deliberately misinterpreted the provisions of the bill because they are "opposed to anything organized labor seeks" and are "against working people."

Republican leaders are "indulging in political blackmail, threatening to bolt to another candidate" if the President signs the bill, according to Georgine.

He said building and construction trades unions "intend to use the new restrictive authorization in the most responsible way." He said that "contrary to what people think, building trades people are reasonable."

Georgine called upon national contractors associations "to enter immediately into discussions" on establishing craft boards, and negotiating a standard agreement for major industrial work.

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