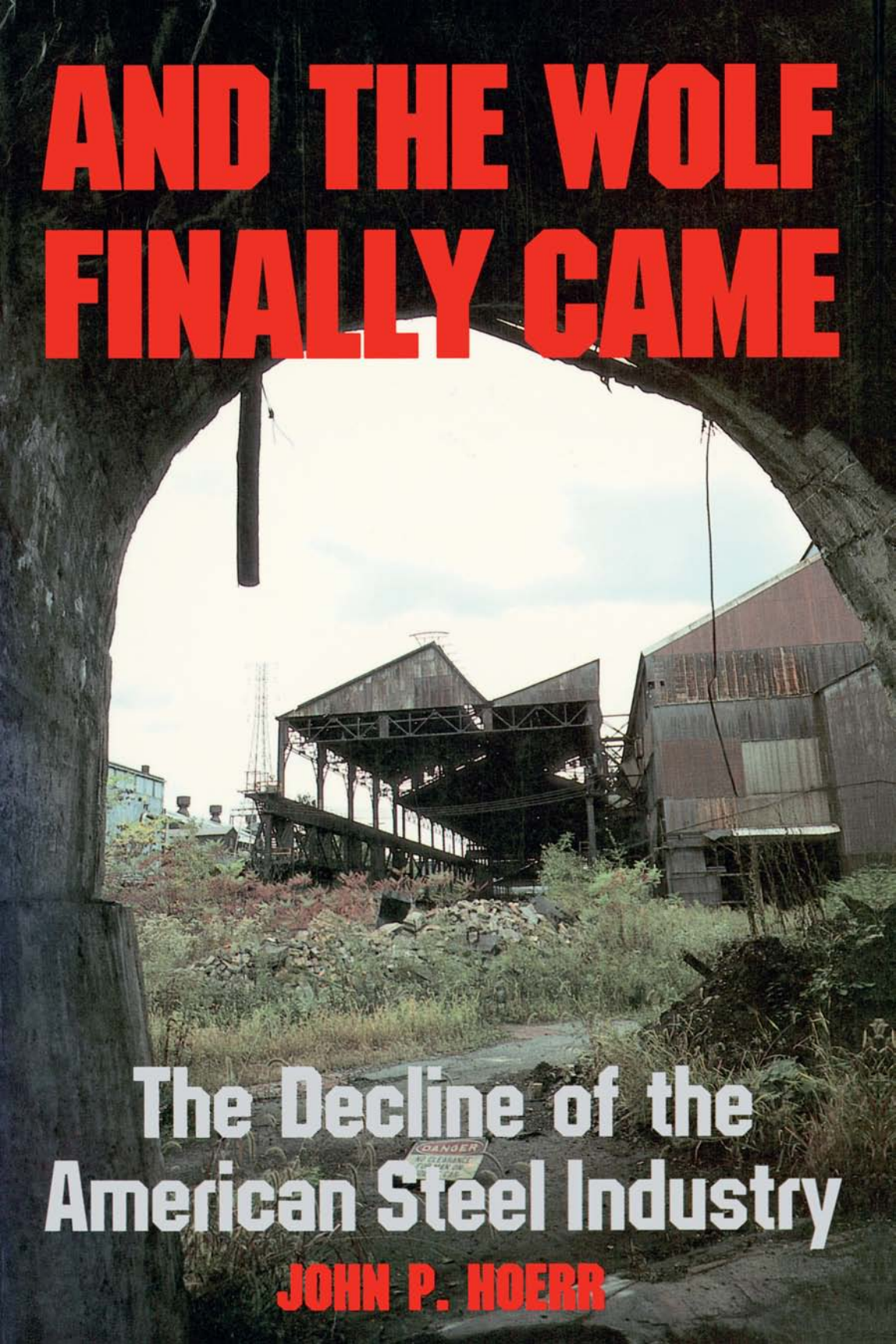
AND THE WOLF FINALLY CAME



The Decline of the American Steel Industry

JOHN P. HOERR

And the Wolf Finally Came

One of the problems in the mills is that no union man would trust any of the companies. To the average union man, they're always crying wolf....

Quotation from Joseph Odorcich,
Vice-President, United Steelworkers of America

And the wolf finally came

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John P. Hoerr

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For Joanne

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Foreword

My association with the author of this book has been unusual. For many years, until 1979 (the year of my retirement as an official of the United Steelworkers of America), John Hoerr was an observer and I was one of those being observed as I took part in labor-management negotiations in the steel industry.

Hoerr was (and is) highly respected by both labor and management. He is a superb journalist, with an insider's perception of the economics, management systems, labor relations techniques, and social policies of steel. His book is notable for its breadth and insight, and it has a wealth of information about steel labor relations, especially in the recent years of the restructuring of the industry. *And the Wolf Finally Came* reveals more about steel and some of its management and union personalities than has ever been written. It provides an intimate look at cause and effect in the decline of one of America's great basic industries, and it shows the importance of steel's labor relations experience to the country as a whole.

There is an added dimension. Hoerr grew up in the Monongahela Valley, once the heart of the American steel industry. This has added to his understanding of steelworkers and the unique steel environment. Hoerr's background is reflected in his concern about the disruptions experienced by many thousands of people as the industry closed plants. It is inevitable that such disruptions take place in a free economy. If one is looking for a villain, one must look to the society, to our government, to our own sense of priorities as a people. The virtually hands-off policy taken by government toward the victims of disruption is a less humane policy than that pursued by most other countries.

I do not always agree with Hoerr's interpretation of events; and other people, on both sides of the bargaining table, are

certain to disagree with some. But a history of labor relations is not a chronicle of precise scientific or statistical data. If there is one thing that history teaches us as a certainty, it is that change is constant and that events look very different as we look back at them. Indeed, time and events have changed my own evaluation of what was accomplished during the nearly four decades that I served with the Steelworkers.

History will thank John Hoerr for *And the Wolf Finally Came.* It will help the participants see themselves and their activities in a broader perspective, and other readers will be more appreciative of the realities, rather than the countless myths, about the steel companies and the union of their employees.

And the Wolf Finally Came will be remembered.

Ben Fischer
Director, Center for Labor Studies
Carnegie-Mellon University

Acknowledgments

This book could not have been produced without the help of many friends and colleagues. Although I had reported on steel labor for twenty years, I needed extended time off my job to do more research for the book. Stephen B. Shepard, editor-in-chief of *Business Week,* generously granted leaves of absence in 1986–87 under McGraw-Hill's policy of unpaid leaves. My mother, Alyce Clark, and my sister and brother-in-law, Lynn and Ronald McKay, graciously gave me lodgings at their home in White Oak, Pennsylvania, during two long periods of research in the Pittsburgh area in 1986. The Pittsburgh Foundation provided a research grant.

Early versions of my manuscript benefited from criticisms by Thomas N. Bethell, who encouraged me to use the somewhat unorthodox personal approach. Thomas A. Kochan, professor of industrial relations at the Sloan School of Management, Massachusetts Institute of Technology, contributed good ideas about my setting of the industrial relations scene in the early chapters. Ronald W. Schatz, professor of history at Wesleyan University, advised me on the labor history portions of the book. Ben Fischer, director of the Center for Labor Studies at Carnegie-Mellon University, who is mentioned often in these pages, gave me valuable opinions drawn from his encyclopedic knowledge of collective bargaining in the steel industry from 1946 to the present.

Other persons who read parts of the manuscript were Charles C. Robb, who provided thoughtful analyses of several chapters; my son Peter, who curbed my tendency to stylistic excesses; Lawrence Delo, who kept me straight on steelmaking techniques; Peter Gall, a colleague at McGraw-Hill; Bob Arnold and Seymour Zucker, senior editors of *Business Week;* Lynn and Ron McKay; David and Eleanor Bergholz; and my wife Joanne, who is an exceedingly good copy editor (and bread-

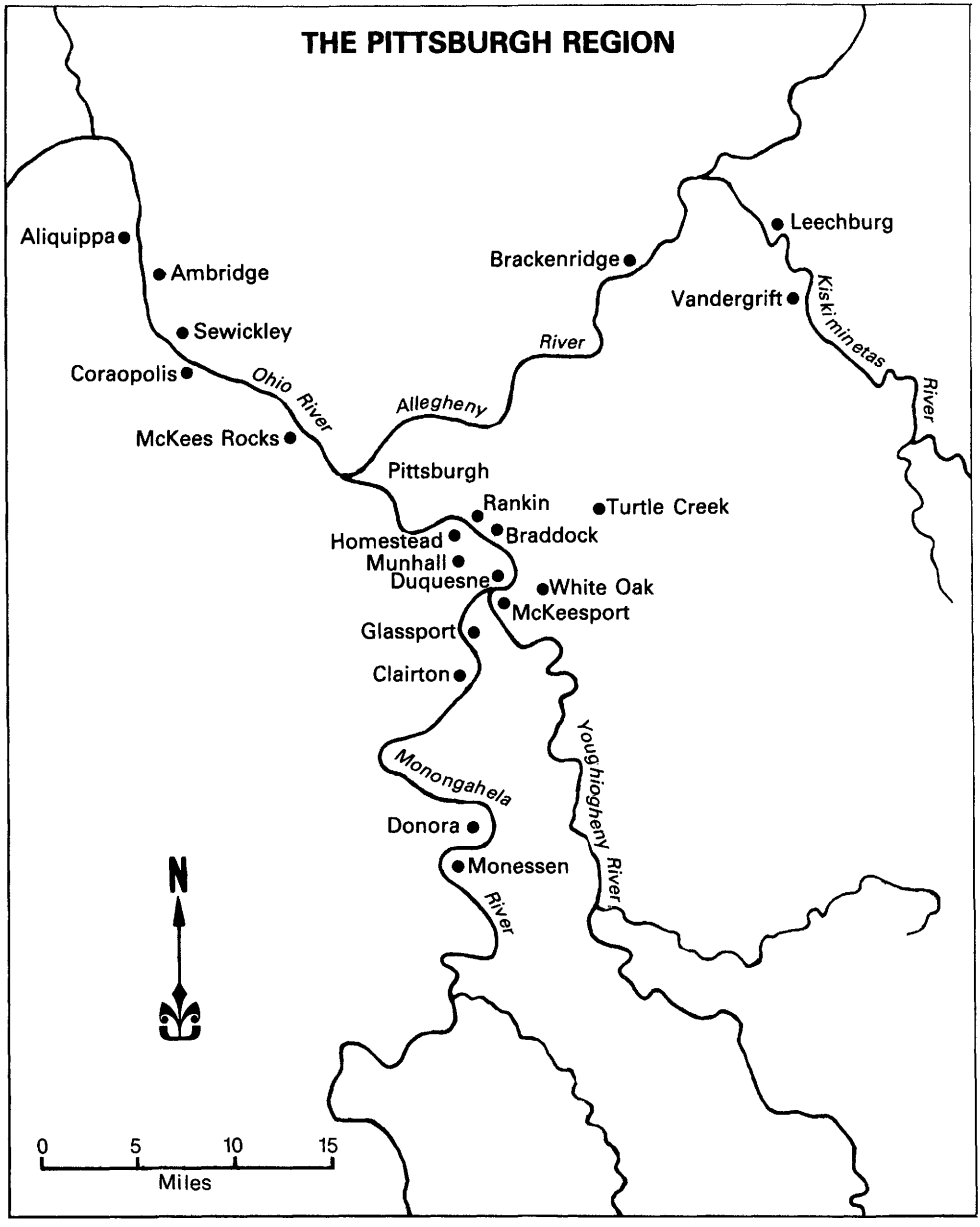
winner). Matt and Gladys Lillig helped financially. John DeGregorio and Darlene S. Payne supplied material and commentary about the recent history of McKeesport; my son David drove me to various airports at odd periods of the day; Jim McKay and John P. Moody, the current and retired labor writers for the *Pittsburgh Post-Gazette,* and Henry P. Guzda, historian at the U.S. Labor Department, provided me with old files; and Judy Adel gave technical advice. Bill Deibler of the *Post-Gazette* and Peggy O'Neill of the *Pittsburgh Press* located many of the photographs.

The United Steelworkers of America allowed me access to certain files, and USW leaders gave freely of their time for extended interviews without restrictions. Most steel executives that I approached were willing to do the same. Others were not. A number of people have written extensively and well about labor in the steel industry, and I have benefited from their beginnings: David Brody, historian of early steel workers; John Herling, author of the only political history of the USW; A. H. Raskin, former chief labor writer of the *New York Times;* and Jack Stieber, an industrial relations scholar.

I want to thank especially Frederick A. Hetzel, director of the University of Pittsburgh Press, who encouraged and aided me in many ways; Catherine Marshall, the managing editor, who edited the manuscript and helped me shape the book; and other members of their staff who provided an exceptional backup service by clipping local newspapers. Finally, I would like to thank all the men and women in the Monongahela Valley who have helped me, often unknowingly, over many, many years. I have not been able to mention them all by name, but I pay homage to them all.

John P. Hoerr

And the Wolf Finally Came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Ambridge
Sewickley
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Ohio River
McKees Rocks
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River
Brackenridge
Leechburg
Vandergrift
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River
Pittsburgh
Rankin
Turtle Creek
Braddock
Homestead
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White Oak
McKeesport
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Chapter 1

Collapse of the Steel Industry, 1982

It is a trip weighted with shock and nostalgia. I am driving east on Second Avenue in Pittsburgh, heading out of the city and up the Monongahela River. Behind me stand the eminences of steel and glass, bunched in the heart of the city, where management makes decisions for its far-flung steel empire. Ahead lie the mill towns and steel plants, strung along the winding river artery, where labor produces molten iron and steel and finished steel products. Once vital parts of Andrew Carnegie's wondrously profitable linkage of mines and mills, most of these plants now sit idled and empty, soon to be churned into rubble.

Times are hard in the Monongahela Valley. The most devastating business slump since the Great Depression has eviscerated the steel industry, causing plant shutdowns and widespread unemployment. On my right, the black metal siding of the cavernous old plant of the Jones & Laughlin Steel Corporation looms over the street, as intimidating as ever, forcing me instinctively to lean away from it as I drive past. A large "For Sale or Lease" sign is posted on one end of the building. It is a bold stroke on someone's part, advertising a mile-long steel plant for sale as one would a corner grocery store. The plant had been expiring slowly for years, the victim of foreign steel's relentless attack, as well as capital starvation and an ill-suited merger of J&L with the LTV Corporation. Across the river, J&L's Southside plant is still working, though at a low level of operations.

I have flown in from New York to take a reporter's measure of this destruction. But I can make no pretense of objectivity. This is my home. I was born in the valley, grew up here, went to school, played, worked, and was part of a family here, and I

dread the sight of silent mills and dying mill towns. I have made this trip up the valley from Pittsburgh hundreds of times over the years, in automobiles, commuter trains, trolley cars, and once or twice by boat. It has always been for me the prototypical journey home, coming from the harsh outer world into the mysterious inner world of earliest memories and first thoughts. The further I penetrate the valley and move into the shadows of the river bluffs, the more I shed journalistic indifference.

The J&L plants are the only steel mills remaining in the city. Pittsburgh itself shows little visible evidence of the recession which started in the summer of 1981 and is now, in October 1982, approaching its low point. The visitor's eye tends to focus on the impressive skyscrapers which house the corporate offices of such giants as U.S. Steel, Alcoa, Mellon Bank, Westinghouse Electric, Rockwell International, Koppers, Jones & Laughlin, National Intergroup (formerly National Steel), Consolidation Coal, Joy Manufacturing, and Wheeling-Pittsburgh Steel. It is an enormous concentration of power, an island remaining high and dry while the rest of the industrial Midwest struggles in neck-deep debt and jobless misery. The appearance is somewhat deceptive, for thousands of white-collar employees of these companies also have lost their jobs. Hundreds of offices also stand vacant in the newer buildings, thrown up to accommodate a business expansion that hasn't occurred.

Nevertheless, Pittsburgh always puts forth its best front, aided by the spectacular juxtaposition of hills, rivers, bridges, and architecture. The city lies at the "forks of the Ohio," as early settlers called it, where the Monongahela and Allegheny rivers join to form the Ohio. A visitor driving in from the airport first sees the city upon leaving a tunnel that cuts through a high ridge on the south side of the Monongahela. At night, emerging from the tunnel is like bursting into a dazzling new world of light and form. The skyscrapers, with row upon row of floors lit for the night cleaning crews, give off a white glow that shimmers on the dark rivers. This spectacle, you might think, must surely radiate outward, projecting strength and prosperity into every corner of the surrounding countryside.

To cross the river, I must turn off Second Avenue, drive up the hill into the Greenfield section of Pittsburgh, and descend on the other side to the Homestead High-Level Bridge. The

bridge affords a broad view of the Monongahela as it curves up the valley between stiff-backed ridges and disappears around a hairpin bend. The river is about a half mile wide, greenish brown and slow-moving. As I gaze up the valley, I am struck by the absence of smoke. Not even a suggestion of a wisp hangs over the Homestead Works of U.S. Steel, which sits to my left at the end of the bridge. But something else is lacking—a sense of life, the teeming, active, energetic life the valley once knew. I dislike exaggeration, but this is what I feel: Death is in the air.

The October day is cool and bright. There is still plenty of green foliage on the steepest parts of the river bluffs, where not even the craziest house can safely perch. For all that we have done to the Monongahela Valley over the past century, the wooded hills and bluffs retain the primitive look of the dense forests that once blanketed the region. When times are bad, and no plumes of sooty smoke drift across the bluffs, that appearance of rusticity distracts one from what man has made of the valley's narrow flatlands by the river. The industrial detritus of a fading culture stretches for mile upon unrelieved mile on these riverbanks: abandoned furnaces, mill buildings, railroad tracks and bridges, storage yards, pumping stations, pipelines, transmission towers. The American steel industry lies dying in its cradle.

I am a labor journalist, and I have come to report on relations between labor and management in the steel industry. As of now, the United Steelworkers union (USW) has refused to grant wage concessions that the industry says it needs to become competitive. There is a standoff. Both sides have displayed an obduracy to change that is all too common in American industrial relations.

Indeed, the steel industry is the best example of what has gone wrong with union-management relations in the United States. Such poor relations are one reason why organized labor is declining in most industries, and why American companies have lost their competitive edge in the new international marketplace.

I can see that an immense tragedy is unfolding in the "Mon Valley," as it is known to the people who live here. The industry is now operating at only slightly more than 30 percent of capacity, close to the record low of the Depression. Some twenty thousand steelworkers, or about two-thirds of the work force in the Mon Valley, are laid off. Most will never

work again in a steel plant. The almost legendary mill towns in the valley—Homestead, Rankin, Braddock, Duquesne, McKeesport, Clairton, Monessen—are being drained of their life's blood. The same is true of many other mill towns: The Southside and Hazelwood sections of Pittsburgh, Aliquippa on the Ohio River, Johnstown on the Conemaugh, Youngstown on the Mahoning, Bethlehem in eastern Pennsylvania, Lackawanna in New York, Cleveland, Gary, South Chicago, and others.

I grew up in McKeesport and have vivid memories of the way it used to be. In the late 1940s, when I was a teenager, a dozen great steel plants lined the banks of the Monongahela, extending forty-six miles up the valley from Pittsburgh. The mills worked twenty-four hours a day and provided jobs for nearly eighty thousand men and women, not counting employees in the companies' Pittsburgh offices. They were enormous steaming vessels, clanging and banging, spouting great plumes of smoke, and searing the sky with the Bessemer's reddish orange glow. The narrow brick streets of the mill towns were filled with streetcars, automobiles, workers going to and from the plant, and shoppers carrying big brown paper bags. There were two or three saloons to a block on the main street near the mill, and almost as many churches scattered through each town.

And, yes, noondays were often as dark as night—as awed visitors usually reported, when inversions trapped great clouds of smoke close to earth, and the downtown sidewalks were so thick with ferruginous dust from the open hearth and Bessemer furnaces, that they gave off a metallic sheen. Smoke seemed to seep out of the very pores of the mill buildings. Every morning housewives all over town put on babushkas and swept clouds of dust off their front porches.

The activity in the plants was never frenetic, but always intensive. You would see diesel engines hauling long strings of tank cars filled with molten iron along the riverbanks; heavy trucks heaped with smoking slag grinding out of the plant gates to dump their loads on the huge, incessantly burning slag piles; skip cars laden with iron ore crawling up cable hoists on the 100-foot tall blast furnaces to feed the vessels from the top; crane buckets dipping into mounds of coke on barges tied up along the river wall. Crane sirens were always screaming out in the depths of the mill, diesels were honking, pipes were banging against pipes with a resounding, hollow

noise. Workers moved about everywhere. From outside the plant you could see them strolling on the plant roadways, or hooking up loads on cranes in the storage yards, or striding out of plant offices with blueprints under their arms, or lined up just inside the plant gates, awaiting the siren for shift change.

Now those giant sprawling places of enormous energy have become rusting hulks: silent and lifeless, like obsolete dreadnoughts sunk to their stacks in shallow water. This image occurs to me as I turn left off the bridge and drive south through Homestead on East Eighth Avenue, the town's main street. The Homestead Works, the largest plant in the valley, is a few blocks to my left.

Twelve thousand people once were employed here; a few thousand are left. There is little traffic on Eighth Avenue, where it once took fifteen minutes to drive four or five blocks. Gone are the retail emporiums, the movie theaters, most of the bars, the crowds of shoppers. Amity Street, which leads down to the main plant gate, is deserted. Farther south, where the plant crosses into the Borough of Munhall, the mill buildings extend right up to Eighth Avenue. Their open ends face the street, but they are dark inside. Nothing moves. At one of the half dozen entrance gates, I see a sign: "This gate closed. Use Amity St. gate." Now there are so few working that all gates except one are closed.

I drive on through Munhall and up the steep four-lane highway that cuts across the face of a high bluff. At the top is Kennywood Park, where three generations of steelworkers, and everybody else in the valley, have spent the traditional end-of-school holiday riding roller coasters and picnicking. Just before getting to Kennywood, I pull into a cinder parking lot and walk to the edge of the cliff overlooking the Monongahela.

The cliff is at least a hundred feet high and makes a sheer plunge down to railroad tracks on my side of the river. Directly across the river is Braddock and the Edgar Thomson Works of U.S. Steel. In 1872 Carnegie and a group of investors bought 107 acres of farmland in what was known as Braddock's Field (where the French and Indians ambushed and slaughtered General Edward Braddock's army in 1755) and built Carnegie's first steel plant. Its two Bessemer furnaces and rail mills, representing the latest in steelmaking technology, began operating in 1875. The early success of this plant launched Carnegie in an enormously lucrative steel

business which set the pattern for all other steel companies in terms of commercial and production practices, formed the core of the future U.S. Steel Corporation, and forever changed the face of America.

The plant extends about a mile along the riverbank and consists of a score or more of different structures—furnaces, tanks, metal buildings, brick buildings, all of varying sizes. It is dominated at the northern end by a huge, pale blue building housing the basic oxygen furnaces. Nearer the river is a two-story, red brick building with high arched windows that have been bricked over, which looks like a turn-of-the-century structure. I see nothing moving in the plant. No trucks, no trains, no people, no smoke. The river locks adjacent to the plant, where strings of coal barges would be lined up awaiting passage over a five-foot change in water level, are vacant. After a while I hear a faint sound of metal beating on metal. It seems to come from the old brick building, as if someone were pounding a sledge on an anvil, pounding for no reason but to proclaim his existence in that vast and empty place.

I drive on, glancing wistfully at the arching curves of Kennywood's three famous roller coasters, the Rabbit, the Racer, and the Thunderbolt. The Thunderbolt, which used to be called the Pippin, was the most exciting. It dived over the side of the cliff toward the muddy river and zoomed back up again as our cries of thrill stretched out behind like a flyer's scarf. The park is closed for the winter. Across the street, showing more life than anything I've seen so far, is a large McDonald's where once stood a row of brick homes. A big red sign in the parking lot says: "McDonald's. Billions and billions served. Drive through." Cars are queued up at a red light, waiting to drive through.

Now I'm going down the hill into Duquesne, where another U.S. Steel plant dozes in the bright sunlight. The pride of the Duquesne Works is Dorothy Six, the largest blast furnace in the valley, 125 feet high and swathed in piping that looks like rippling muscle. As I drive past, a cloud of steam envelopes Dorothy's cast house at ground level. Is she tapping iron or just blowing steam? A number of friends from high school days work in the Duquesne plant—if they still have their jobs, I remind myself.

A half mile beyond the Duquesne Works, I turn onto the bridge that crosses the Monongahela to McKeesport. Now I am really coming home. McKeesport's National Works lies on

the riverbank just south of the bridge. From my viewpoint on the bridge, I note that the plant gives off a pale blue glint hinting of fresh paint, and the dashing USS logo is prominent on one of the mill buildings. This neat, fresh look is an optimistic sign.

At the end of the bridge, I turn south once again on Lysle Boulevard (named for a mayor who for years banned union meetings) and drive past the plant. On the town side, it looks completely different, old and worn out. Nothing is painted. The blast furnaces, long unused, are piles of dirty rust. The buildings housing the finishing mills expose to McKeesporters ancient, yellow-brick facing and rows of broken windows. It's as if the plant promoted itself as a sleek, modern mill to the outside world across the river but revealed its obsolete, abandoned face to its own community.

The mill buildings look the same as they did thirty years ago. Like most young men of my generation who grew up in steel towns, I worked in the mill during summers and other time off from school. One job lasted a year. Going to and from work every day, I walked past the buildings on the mill roadway and took a short cut through a dark storage building where electric motors, steam engines, pumps, generators, and unopened crates of forgotten equipment lay heaped in dusty rows. Great age was stamped on everything in the mill, including the lined faces of older men who still wore narrow-brimmed hats with grease spots in the finger hollows near the peak. I dreamed of finding footprints of an ancient steelworker in the dirt of the mill grounds, like the arrowheads still reported to be buried in Braddock's Field. I worked then for a construction company that was building a new boiler house in the plant, but I felt as much a part of the mill as a steelworker. The boiler house is still there, looking weary and depressed but still spouting little puffs of steam now and then.

It is close to three o'clock, and so I park the car and walk to the corner of Locust Street and Third Avenue to watch the shift change. Workers stand inside the Locust Street gate as always, waiting to burst through at quitting time. When the siren sounds, everybody in town will look at their watches and think, "Mmmm, three o'clock. The men'll be coming out now."

But I am wrong. There is no siren. Now it is only a faint tinkling sound. The mill doesn't want to embarrass itself by

proclaiming an enormous change of shifts, I think, when in fact only a fraction of a normal day turn is now working. In the old days, indeed only a year ago, it would have taken ten or fifteen minutes for the entire day turn to file through the gate. Now the exodus takes a total of one and a half minutes. Only 150 hourly employees, out of 4,200, are still working.

I begin to walk away. Someone calls my name. I turn and see a straggler coming out of the gate. He is Manny Stoupis, an acquaintance since the 1940s and now chairman of the grievance committee of USW Local 1408. I always remember Manny (nobody used his full name, Manuel) as a slight, wiry kid who was good in solid geometry. He has grown a bit thicker since I last saw him a few years ago, and his black hair is graying above the ears. Manny has the same earnest look, though now it is more knowing and verges on the bitter. He has been a grievance committeeman for the better part of twenty years. Anyone who survives this long as an elected local official will have experienced more than the normal share of human conflict.

After we shake hands, I ask what it is like to work in the huge plant with only 150 fellow workers. "It's eerie," he says. "You don't see anybody. You don't hear anything. There's no security. The company closed the two gates at the lower end of the plant and laid off the guards. They canceled the roving guard who used to drive around in a jeep. People are breaking in at the lower end, climbing over the fence, and stealing brass and iron scrap." He laughs. "Two foremen down at the lower end lock themselves in their office all day."

Manny was an ambitious young man who, like so many back in the early 1950s, got caught in steel's good times. For young men in the mill towns of those days, there was a very tangible sense of having to make an implicit bargain with life from the outset. There were two choices. If you took a job in the mill, you could stay in McKeesport among family and friends, earn decent pay, and gain a sort of lifetime security (except for layoffs and strikes) in an industry that would last forever. You traded advancement for security and expected life to stick to its bargain. Or you could spurn the good pay and long-term security, leave your family and the community, and take a flyer on making a career in some other field. In a sense, everybody growing up in America must decide whether to stay or move on. In the Mon Valley, however, the very presence of the mill on the riverbank, its gates flung open

to young men (though not women and not blacks in the better jobs), forced you to make this choice.

Manny could have moved on, but his ambition trapped him in McKeesport. He started working part-time in the mill in 1947 during his junior year in high school and never stopped. His steelworker wages carried him through college and graduate school, and by the time he received a master's degree in mathematics from the University of Pittsburgh in 1958, he was making too much money as a steelworker to leave the mill. He had accumulated seniority by then and was grossing $4,000 more a year than he would have received if he had gone into biophysics. Manny stayed in the mill and got into union politics. I had talked to him many times in the 1960s and 1970s when he held a variety of local union offices.

We walk slowly toward the Local 1408 hall. Manny talks in hard, curt sentences. He doesn't complain, but I can guess. The way things are going, he will have to take early retirement before he is fifty-five... and then what? There is plenty of anger in him, but it comes out only a little at a time. "Most of our people will never see the inside of this plant again," he says. There is a long pause. "National Works is just about done for."

The Local 1408 hall is a two-story, pale green building fronting on Fifth Avenue, McKeesport's main business street. Several men in the lobby are discussing recent layoffs; somebody with forty-two years of service has just lost his job. I leave Manny and walk down a narrow corridor, passing a committee room where more men sit around a table and talk about layoff benefits. I find Dick Grace, the local president, sitting behind a desk in his tiny office. There are three chairs and a bookcase containing union brochures. On the wall are color photographs of John F. Kennedy, the five current International officers of the USW, and Grace himself competing in various road races. In his late forties, Grace took up jogging and has run in several ten-kilometer races. Now fiftyish, he is trim around the middle and wears a brush moustache that is turning gray.

I've known Grace for several years. Sometimes he is evasive about union business, but not today. He pulls his baseball cap advertising "Local 1408" more firmly down on his forehead and throws his feet up on the desk, ready to talk. He is angry. The company wants to padlock the unused locker rooms in the plant and has been calling laid-off workers and telling

them to come in and pick up their clothing. "They call them at home and just say, 'Come in, empty your locker out.' That scares the hell out of them. These bastards have no finesse."

We talk about local negotiations. The company has asked the union to approve changes in the local agreement which would enable management to move workers from one department to another inside the plant. Grace doesn't like the idea. I ask a demurring question: If the union wants National Works to continue in business, doesn't it make sense to help management reduce labor costs?

Grace drops his legs behind the desk and straightens up in the chair. He has called off negotiations, he tells me angrily, upon discovering that the company has sent a letter to all employees ordering them to take their vacations in January so the plant can shut down for two weeks. It's not the policy that angers him so much as the fact that management negotiators failed to tell him about the mailing (purposefully, he suspects) even as they were asking him for concessions. "I haven't talked to them for two weeks," Grace says. "My relations with them are at the worst level I've ever seen."

Tragedies are made of such things.

I drive back to Pittsburgh after dusk. There are no stars out, and the valley is dark and silent. I feel as if I am in another country, or another time. The Mon Valley that I have known, a socioeconomic system that for a hundred years provided the labor for America's industrial explosion, is slipping into the past. Perhaps it should. Perhaps it is time to discard that culture and build another someplace else. What's one century in the sweep of progress?

The Mon Valley, 1987

By the middle of 1987 the death whose presence I had felt five years earlier had moved in on bulldozer's treads. The steel depression of 1981–82, followed by a continuing dismantling of the industry in a worldwide economic upheaval and a 184-day shutdown of U.S. Steel plants in a labor dispute, had left the Mon Valley reeling and helpless. The Homestead, Duquesne, and McKeesport plants of U.S. Steel were closed, permanently. (In 1986, after acquiring two large energy companies, U.S. Steel changed its name to USX Corporation.) Farther up the valley, Wheeling-Pittsburgh Steel shut the gates of its historic plant in Monessen in 1986. The old Jones

& Laughlin mills in Pittsburgh were being torn down. Dozens of related manufacturing plants had also closed.

The number of people who derived their income from steel had declined to less than four thousand, down from over thirty-five thousand in 1981, and from eighty thousand in the late 1940s. The mill towns, once so alive with the heavy throb of industry, now gave off the weak pulse of welfare and retirement communities. The degree of suffering caused by lost jobs, mortgage foreclosures, suicides, broken marriages, and alcoholism was beyond calculation. Many people, especially the young, had left the valley, but middle-aged and older workers, unable or unwilling to migrate from the only home they had known, went through the anguish of trying to start new careers. The standard of living, boosted to a high level by the bargaining strength of the United Steelworkers, was falling steadily.

More than might have been suspected, families held together. Many steelworkers *did* start new lives, discarding forever the hard hat and accepting employment as clerks and low-skilled technicians in service industries. The mill towns, instead of giving up, kept searching for new employers. Grassroots organizations dedicated to self-help served as advocates of the jobless before legislative bodies and government agencies. Some groups urged a revolutionary new role for labor, as employee-owners of abandoned enterprises. Other activists turned to physical confrontation with bankers and corporate executives, the symbols of uncaring wealth. But the real struggle in the Mon Valley was waged by individual people who, in countless cases of quiet heroism, prevailed over difficulties they had never before experienced.

They were left with bitter memories, however. From 1981 on, U.S. Steel acted with a callousness that will not soon be forgotten. The economics of the world steel trade dictated that the corporation shut down plants and reduce its work force. There was no pleasant way to do that. U.S. Steel, however, seemed to go out of its way to turn unpleasantness into nasty displays of power. It fired thousands of supervisors and managers—its most loyal employees—on no more than a moment's notice: "Clean out your desk, this is your last day," they were told. In fairness, it must be said that U.S. Steel poured out enormous amounts of money to support retirees and their families; in 1985 alone, it paid $123 million in pension and medical benefits to recipients in the Mon Valley.

Nonetheless, the company left a legacy of bitterness, even hatred, that will last for many years in the valley.[1]

The times clearly called for a partnership between steel management and the USW to meet the new competitive challenges. At companies such as National Steel, leaders on both sides managed to break out of old patterns of adversary relations to forge such a partnership. This did not happen at U.S. Steel, partly because of union resistance to change, which was more pronounced at some plants than others. But the company's confrontational style of management also impeded cooperation, with unhappy consequences. The corporation practically invited the 1986–87 work stoppage through bad faith dealings with the union.

What were the comparative dimensions of the disaster in the Mon Valley? The life expectancy of single-company towns in the fast-changing American economy is counted in decades, not centuries. New England's Merrimack River Valley, with its acres of abandoned textile factories (some now restored as historic sites) is another example of an industrial valley that went bust. Starting in the 1820s, this birthplace of America's Industrial Revolution grew into a mighty textile and apparel-producing area. The introduction of electricity eliminated the valley's water power as a competitive advantage, and the textile industry moved to the South, which offered an abundance of raw materials and cheap labor. After a generation of economic depression, the Merrimack Valley is now experiencing a resurgence as an electronics center.

The Merrimack Valley's major period of decline extended from the 1920s to the 1950s. The economic destruction of the Mon Valley was even more swift and brutal. The valley's manufacturing base had been eroding, it is true, for twenty-five years, but the final paroxysms would not be those of a moribund creature. A vibrant forty-six-mile stretch of river valley, providing primary jobs for over thirty-five thousand steel employees, and subsidiary jobs for nearly three times as many people, would be devastated and expunged from economic memory in less than five years.

An entire industrial culture overthrown and trampled into the dirt within a few years! There would be no gradual change here, no slow dying of one technology and the simultaneous growth of another. This isn't the Ruhr Valley, where old steel communities are kept alive even as their mills are torn down and replaced with other industry. This is wide, broad-

shouldered America, where there is always room someplace else for people abandoned by their livelihood. Are you an unemployed steelworker in the Mon Valley? Well, move on, brother! The first hill is the hardest one to cross. After that, the opportunities are limitless... Texas, Arizona, or anyplace from here to there where McDonald's needs someone to serve the one-trillionth burger.

For more than a century the mill towns had sustained an economic system that provided labor and social stability for America's industrial explosion. In the 1980s these towns—Homestead, Braddock, Duquesne, McKeesport, and Clairton—lost industries, people, pride, and their tax base. And not just the mill towns themselves were affected, but also dozens of other suburbs and river communities that form part of the same system: Munhall, East Pittsburgh, Turtle Creek, Dravosburg, Glassport, West Mifflin, White Oak, Elizabeth, Wilmerding, among others. Schools, roads and highways, transportation systems, churches, sewerage, business districts, and shopping centers—the entire infrastructure of the region was in danger of being swept away, as if a huge wave were surging down the valley from the headwaters of the Monongahela.

How would the region survive without its manufacturing base? Well, it was said, Pittsburgh would become a center of high technology and financial service industries, transmitting its knowledge and expertise around the world via satellite and electronic networks. Instead of exporting steel and machinery, the region would export services and research (medical research already was well established) and employ people as office workers, technicians, and operatives in high-tech manufacturing. So said the bankers and regional development experts. This forecast had some merit. While the five-county Pittsburgh metropolitan area lost 127,500 manufacturing jobs between 1979 and 1987, it gained 75,800 service-type jobs. Many of the latter, however, were low paid, demanded little skill, and existed largely in Pittsburgh and surrounding communities, not in the decaying depths of the Mon Valley. The truth was, nobody knew what to do about reviving the mill towns and their suburbs.[2]

What This Book Is About

This book tells two stories. The main story is about the decline of the labor movement and the deterioration of the

American system of industrial relations. The second, related story is about the wastage of the Monongahela Valley. The valley was *not* primarily a victim of labor-management conflict. However, I believe, and hope to demonstrate, that the singular use of the valley as a factory system for the steel industry produced a unique social and economic environment. Both the conduct of work in the mills and the course of labor-management relations were profoundly influenced by this environment.

The two stories, therefore, are intertwined, and the telling of both helps illuminate the major theme of this book, which is that the American system of organizing and managing work is obsolete.

The precipitous decline of the steel industry in the 1970s and 1980s provides the most dramatic evidence of the need for reforms. The industry's shrinkage resulted from many complex, interrelated forces (see chapter 4). In some part, it was inevitable, given powerful structural shifts in the international steel industry: the growth of foreign steel and the resulting excess of steelmaking capacity over demand by 1986; the increasing use of plastics, aluminum, ceramics, and other materials as a substitute for steel; and the rise of American minimills with modern equipment and low labor costs which enabled them to capture high-volume products such as rod, wire, and bars from the integrated steelmakers.[3]

The USW's resistance to wage cuts and work-rule reforms constituted only one element in this array of causes. But it was a critical one. And for every barrier thrown up by the union, higher barriers were raised by management. Management was too arrogant to see that labor could contribute ideas and commitment that might arrest the decline. That these antagonisms remained intact fifty years after unionism came to the steel industry is proof of fundamental flaws in the union-management relationship and, more importantly, in the shop-floor organization of work. The USW and the steel industry failed to work together to make the plants more productive, even though a mechanism existed for doing this, the voluntary Labor-Management Participation Teams (LMPTs) which could be established at the department level within plants (see chapter 6).

Aside from LMPTs, which dated from 1980, the steel companies had engaged in little innovation, social or technological, for most of the postwar period. Led by a management that ranged from mediocre to poor, the American steel

industry simply failed to make the right business decisions at the right time. Most important, it failed to change its authoritarian style of managing people in order to gain cooperation in a common endeavor.

As a result, the conflict between union and management on the shop floor, which was necessary and healthy to some degree, degenerated into pointless battles for supremacy between rival bureaucracies. The union's one-time fight for a decent standard of living and better working conditions became the captive of a bureaucratic industrial relations system. By the 1980s, the Mon Valley plants—indeed, most American steel plants—were no longer competitive.

In the six years covered by this book, practically everything that could happen to an industry and a union *did* happen in the steel industry: massive unemployment, wage-cutting, national and local bargaining, internal union strife, rank-and-file rejection of labor pacts bargained by their leaders, bitter disagreements between companies, the collapse of an employer bargaining group, the breakdown of industrywide wage patterns, plant shutdowns, chaotic market conditions and bankruptcies, and—in some instances—the beginnings of new labor-management relationships.

One of the more dramatic of these events had occurred a few months before my October, 1982, trip to the Mon Valley.

Union Drama in a Ballroom

At 10:30 A.M. on July 30, 1982, a great shout of defiance rang out in the Grand Ballroom of the William Penn Hotel in Pittsburgh. Some four hundred local union presidents, who constituted the ratification body of the United Steelworkers, had rejected by voice vote a steel-industry proposal calling for wage concessions. As the echo of the vote receded, many of the delegates leaped to their feet, shaking their fists and shouting.

It was an extraordinary demonstration. In the 1970s the same body, called the Basic Steel Industry Conference (BSIC), had ratified new wage agreements once every three years. Elated cheering had accompanied the votes—and for good reason. Each new agreement in those years was described as the "best ever," and cumulatively they made steelworkers the highest paid industrial workers in the United States, if not the world.

In 1982, the circumstances were reversed. The steel com-

panies wanted to modify the wage terms they had agreed to in 1980. Although the USW's contracts with eight large steelmakers would not expire until August 1, 1983, the companies had proposed replacing those pacts with new, lower cost contracts. The companies were U.S. Steel, Bethlehem, Jones & Laughlin, National, Republic, Armco, Inland, and Allegheny-Ludlum. In 1982 they were still bargaining as an industrywide unit, a practice that began in 1956 and ended in 1985. A bargaining committee named by the companies negotiated an industrywide labor agreement, which set forth wage and benefit terms, as well as general provisions on matters such as hours of work and the grievance procedure. The companies, therefore, paid identical rates of pay and levels of benefits. Each firm also had its own labor contract which spelled out other noneconomic provisions, which differed to some degree from company to company.[4]

Because the wage terms were identical across the industry, this method of negotiating met the union's goal of "taking wages out of competition." The companies gained the protection of unity; the USW couldn't strike them singly and leverage one firm against another. The uniform wage policy also suited the industry's oligopolistic pricing structure. But by 1982 industrywide bargaining was an anachronism. It was not flexible enough to cope with the industry's changing problems. Despite the strong arguments of some executives to disband the committee, however, the companies hadn't mustered the nerve to take that bold step.

The industry had been falling deeper into financial trouble since the brief recession of 1980. Now, in the midst of the 1981–82 recession, the nation's mills were operating at only 43.8 percent of capacity. Japanese steelmakers, along with American minimills, had captured more than 25 percent of the U.S. steel market. In the Big Eight companies, the average hourly cost of providing wages and benefits (pensions, medical care, vacations, and holidays, etc.) had risen to between $22 and $23 in 1982, roughly twice the employment cost of Japanese steelmakers and $5 per hour above the minimills' cost. One of the Big Eight, Republic, was said to be close to failure, and the industry negotiators told Lloyd McBride, the Steelworkers' president, that all eight companies would vanish by the end of the decade unless the steep upward trend of labor costs were leveled off.

About 107,900 hourly workers, or 37 percent of steel's 1981

work force, were laid off at the time of the BSIC meeting, and many of the local presidents realized the business slump was no ordinary recession. Largely for this reason, the conference had reluctantly authorized McBride to "discuss" labor-cost issues with industry negotiators. McBride and two union aides, Vice-President Joseph Odorcich and General Counsel Bernard Kleiman, met throughout July with the industry bargainers, J. Bruce Johnston of U.S. Steel and George A. Moore, Jr., of Bethlehem. It was a peculiar set of negotiations, the first in which the USW had contemplated breaking John L. Lewis's old dictum of "no backward step" in bargaining.[5]

Nothing came of the July talks. The industry asked the union to cancel a wage increase scheduled for August 1, 1982, and accept a pay freeze for the next three years, with limited cost-of-living adjustment (COLA) payments. McBride would have accepted a wage freeze, but he rejected the COLA limit. The negotiations ended in a deadlock.

The USW president called the July 30 BSIC meeting merely to ask the local presidents to ratify his rejection. The delegates' response indicated in part the depth of their anger with management. But in part it resulted from an internal union problem. McBride had bred suspicion among the presidents by refusing to admit that he actually was discussing possible wage cuts with the industry men. A few dozen local presidents had taken a stand against any wage concessions, at any time, for any reason. McBride's reticence made the militants' campaign all the easier. They spread the word that the USW president had already "cut a deal" with the industry bargainers and intended to ram it down the throats of the BSIC delegates on July 30.

So it was that the presidents who assembled in the William Penn for the 10 A.M. meeting were in a rebellious mood. Many were annoyed that the companies seemed to have placed all the blame for the industry's predicament on labor. The "no concessions" group included unionists from each of the major companies, but especially from Bethlehem and U.S. Steel, where relations had deteriorated in recent years. The delegates from U.S. Steel plants were furious that the company had bought Marathon Oil instead of investing the $6 billion in steel. As they filed into the ballroom on the seventeenth floor, their faces grim and angry, one might have thought they were about to do battle with a hated foe rather than to meet among themselves to decide the fate of their industry, and their jobs.

It has been an abiding irony that the Steelworkers use the William Penn ballroom for many of their large meetings. Gaudily dressed in late Renaissance decor, the ballroom today differs little from the original of sixty-five years ago. Gold draperies cascade down over high, domed windows, three enormous chandeliers with tiers of glass candles hang from concave pits in the ceiling, and maidens carrying baskets of fruit stand out in bas-relief on wooden panels. The walls are covered with white paper flocked with undulating gold curls and lined with dozens of candelabra that give off a dull glow. A kind of ornate gloom permeates the place—a curious setting for a latter-day class struggle.[6]

Today, the ballroom is an interesting museum piece. But when the William Penn opened in 1916, the ballroom's Old World dazzle represented the pretentious aspirations of the businessmen who built the seventeen-story building. One of their leaders was Henry Clay Frick, the coal and steel magnate who in 1892 sent bargeloads of Pinkerton goons up the Monongahela River from Pittsburgh to attack striking steelworkers at Carnegie's Homestead Works. Those were heady days for capitalism in Pittsburgh. It must have seemed that the iron and steel furnaces would never stop pouring out molten metal, belching smoke and dust, and employing endless streams of immigrants.

By July 30, 1982, everything had changed in Pittsburgh and the Mon Valley. In one sense, however, nothing had changed: Management-labor relations in the plants were still implacably hostile.

McBride told the BSIC meeting that the companies had asked for "more than was reasonable" in negotiations and that he had turned down their proposal. When he called for a vote on a motion that the BSIC reject the companies' demands, an overwhelming shout of "aye" resounded in the ballroom. The local presidents jumped up from their chairs and cheered and clapped. In the balcony, scores of nonvoting union "observers" joined in the demonstration. It was loud and boisterous.

Why did the steelworkers react this way, knowing even then that their vote might mean a further loss of jobs? Some of the delegates applauded out of relief that they had not been called upon to vote yes for concessions. For others, particularly from U.S. Steel and Bethlehem plants, the demonstration was the release of a collective anger, a challenge to a

hated enemy, "the company." McBride stood grimly at the podium. At that time he was a relatively young-looking sixty-five, a chunky, solid man of medium height with a balding head and a professorial face. (Thirteen months later, he would die of a heart ailment probably aggravated by the strains involved in trying to steer the union through a perilous time.)

Most union presidents would have turned such a showing of militancy to political advantage; an obvious tactic would have been to make a stemwinding speech attacking the "greedy" companies. But it was not in McBride's style, or character, to use political rhetoric. Believing that the survival of the industry and the union was at stake, he had tried to reach an accommodation with the companies and had failed only because their price, in his view, had been too stiff. When the noise finally subsided, he told the delegates in a stern voice: "I say to you, the decision we have made today is not cause for celebration. The problems are mutual [between labor and management], and they have to be solved. This is a mutual failure."

As the delegates streamed out of the ballroom, one group went whooping down the corridor, clapping backs and saying: "We did it! We did it!" They were claiming credit for having forced McBride to reject the industry's proposal, a dubious claim but one that indicated the temper of the more militant delegates. Although relatively few in number, they were louder and more passionate (either from serious intent or demagoguery) than the delegates in the opposite camp and tended to pull the undecideds in their direction. McBride's rebuke at the end of the meeting had annoyed rather than sobered the militants and added to their suspicions that McBride sided with the companies in favoring wage concessions. "Sometimes you wonder which side he's on," one of them said to me.

The events of the next seven months, however, confirmed McBride's assessment of the economic picture. Indeed, it was even bleaker than he suspected. The steel industry had been badly hurt by the 1981–82 recession, and it continued sliding downhill through the late summer and fall of 1982. Steel unemployment soared; by the end of the year, 153,000 hourly workers, or 53 percent of the work force, were laid off. Many thousands of the jobless had run out of unemployment benefits, and hundreds had lost, or were on the verge of losing, their homes and cars in mortgage foreclosures.

Nevertheless, in November 1982 the ratification committee once again rejected an industry proposal, this time repudiating McBride by voting down a package of concessions that he negotiated and recommended. Once again, the local presidents' anger at the companies, particularly U.S. Steel, played a large role in the rejection. Not until March 1, 1983, would the Basic Steel Industry Conference finally approve a settlement accepting an immediate 9 percent wage cut.

Those seven months of negotiating impasse became one of the most momentous periods in the history of steelmaking in the United States. This book will tell the story of what happened during that time and afterward, from 1981 to 1987. The story unfolds in many places, in negotiating sessions between top-level union and industry officials, on mill floors and picket lines, in turbulent union meetings and staid company conferences, and in the homes of workers and managers in the Monongahela Valley.

The Procedures Obscured the Reality

As a journalist, I have been reporting on and writing about labor since 1960. By far the most excruciating rounds of collective bargaining I have covered were those in the steel industry in 1982–83 and again in 1986–87. I became convinced that the problem in steel was rooted in forty years of poor management of people and a misdirected union-management relationship. For most of that period, steel management regarded hourly workers as an undifferentiated horde, incapable of doing anything more than following orders and collecting the paycheck. Suddenly, in 1982, that horde was expected to turn into an enlightened group of rational individuals with implicit trust and faith in the company and a willingness to accept whatever management said was necessary to put its financial affairs in order.

Some companies had better relations with their employees than others, and the atmosphere differed from plant to plant within companies. Generally, however, those decades of adversary relations on the shop floor had created an atmosphere of suspicion and hostility that could not be overcome by the normal methods of communication.

This was not evident on the record. There had not been a major strike since the 116-day national steel walkout of 1959. Such a long streak of peaceful bargaining was extraordinary in

a major U.S. industry. But it obscured the real problems in the steel industry, largely because the negotiating procedure did not reflect the reality of everyday life in the plants. Industrywide bargaining put control of the negotiating process in the hands of top-level industry and union leaders who were determined to avoid strikes, a worthwhile goal but one which, by itself, could not contribute nearly as much to solving steel's competitive problems as improving relations on the plant floor.

This misplaced emphasis had its beginnings in the 1950s and 1960s, when the collective bargaining procedures that had evolved during and after World War II became ever more procedural and bureaucratic in form. Management wanted to maintain stability at almost any cost, and avoiding unnecessary strikes became a primary mission of industrial relations professionals in American industry. Company negotiators accumulated power in the company, and were compensated and promoted, on their ability to hold the union at bay while eschewing conflict. This was especially true in the steel industry, which went out of its way to buy labor peace in the 1970s with its no-strike agreement.[7]

The USW's contract ratification procedure inserted another blurred lens between the leaders' eyes and what was happening down at the mill-and-furnace level. Industrywide pacts were approved by a vote of the BSIC, local union presidents from all companies that were construed, however remotely, to be part of the basic steel industry. While the BSIC in its later years became an increasingly independent creature, still it was essentially a committee whose votes were subject to some degree of leadership control. Ratification by committee had been used in the USW since its inception in the 1930s, an outgrowth of its top-down organization. It was one of those traditions—of which there were many on both sides in the steel industry—that seemed to survive all evidence that it was outmoded.

By the early 1980s, the neglect of shop-floor relations had adversely affected attitudes, productivity, and product quality. On one side a managerial bureaucracy consisting of the plant manager, department superintendents, general foremen, and line foremen, ran the plant in the old authoritarian fashion. Orders came down through the hierarchy and, right or wrong, were to be followed to the letter. On the other side, a union bureaucracy consisting of the local president, chairman

of the grievance committee, and his committeemen (few women held these posts) protected the workers' "rights," as spelled out in the contract. Management made no attempt to involve the union officials, much less the workers, in cooperative efforts to improve the work process; such an effort would have violated management's unilateral "right" to run the plant. The union officials spent most of their time reacting to management decisions and protecting work rules which established crew sizes and work jurisdictions, even though those rules might be obsolete. In this climate, there was much yelling and puffing of chests on both sides, and ordinary workers were caught in the middle.

This stultifying relationship was particularly true of the old plants in the Monongahela Valley. Not much had changed since the USW organized them in the 1930s. It was as if a regiment of paratroopers (the union) had been dropped into hostile territory and remained surrounded all these decades by management, the two sides accommodating to an uncomfortable balance of power. The degree of hostility waxed and waned over the years as managers and union leaders came and went. But management usually sets the tone of a relationship, and in the Mon Valley that tone was at its best one of polite belligerence.

The local unions became highly politicized; any leader who made peaceful overtures to the company was promptly denounced as a "sell-out artist." Union officials and supervisors conducted daily warfare over such matters as discipline, job assignment, and the handling of worker grievances. It was as though each side had to prove to itself, day after day, that it had the capacity to hurt the other.

Over the years, this relationship hardened and became impervious to change. Many people tried to reform the system, only to run into barriers of tradition and bureaucracy—on both sides. At U.S. Steel's Duquesne plant, for example, Local 1256 President Mike Bilcsik went to management in 1983 and proposed that the union and company begin an LMPT program. He was repulsed. Plant management wanted no part of participation.

On the management side, many supervisors had to suppress their participatory tendencies and instead act as disciplinarians. One of these was Lawrence Delo, who worked for more than twenty years in several Mon Valley mills as a first-line foreman, one of the toughest jobs in any industry. In late

1983, when he was working at U.S. Steel's Homestead Works, we talked about the corporation's management style. "I really think a lot of Homestead's labor problems are caused by management," Delo said. "They are so hard-assed! That's been the history of the steel industry in the Mon Valley. You have to manage by force and by setting examples, rather than by reason and persuasion. You can't get ahead if you don't scream and yell at people."[8]

By the early 1970s, I began to realize that the "mature collective bargaining relationship" that the academics were ascribing to the steel industry existed only between top-level union and company negotiators. But even then I didn't perceive the depth of the hostility in the plants. From the summer of 1982 on, however, it became clear that the union and industry hadn't advanced beyond primitive stages in their relationship. Each side sought only to advance its own interests. But the decline of the steel industry—its poor profit showing, decreasing productivity, and lack of investors—should have galvanized both sides to focus on their mutual interests. Instead, each side blamed the other and stood aside as jobs dwindled.

The result of all those years of neglect was best summed up by Joseph Odorcich, a blunt-spoken USW vice-president. Odorcich started work in the coal mines of western Pennsylvania at the age of fifteen and went on to a colorful career in the Steelworkers, first as a local officer at a McKeesport foundry during the late 1930s. Later, as a union reformer in the Mon Valley, he had to buck entrenched union leadership to make his way to the top of the union.

One day in the fall of 1983, we sat in his Pittsburgh office, reviewing events of the past year. The bargaining failures of 1982 had embarrassed the union leadership, and Odorcich conceded that serious errors in strategy and tactics were partly responsible. The largest problem, however, was that local union leaders and rank and filers distrusted management, and even the union to some extent. "One of the problems in the mills," he said, "is no union man would trust any of the companies. To the average union man, they're always crying wolf. And the wolf finally came."[9]

Chapter 2

The Union Movement Loses Momentum

Steelworkers were not the only group to suffer in the 1980s. The collapse of the once mighty American steel industry occurred at a time of vast economic restructuring that affected every industry and virtually every person. After a long, seemingly stable period following World War II, a series of upheavals sped along the fault lines of the world economic system, turning a familiar landscape into an unrecognizable jumble of upended industries and overlapping trade borders.

During a period of only ten years, from the mid-1970s to the mid-1980s, the world saw the rise and fall of the OPEC oil cartel, the emergence of Developing World countries as manufacturing powers, the fading of American technological supremacy. Perhaps the most significant development was the growth of a new technology—based on the silicon chip, microelectronics, and the computer—which enables capital, that volatile generator of economic growth and corrupter of men, to fly about the world on electronic air waves and create new assets in the twinkling of a second.

In the United States, meanwhile, several trends and events of a more parochial nature produced major economic changes for Americans: the deregulation of the trucking and airline industries, the election of a president bent on disengaging the federal government from any role in the relationship between corporations and people, the expansion of the federal deficit to proportions that reversed the U.S. balance of trade, and the rise of a new breed of financial speculators skilled at raiding (and sometimes looting) the decaying domains of old-time corporate America—and paying for it with the assets of the pirated companies and their employees.

These forces had disastrous consequences for two income

groups in the United States, the poor (who sometimes benefit from political upheavals but rarely from economic eruptions) and middle-class wage earners once employed in the shrinking goods-producing and exporting industries. These industries include the auto, steel, tire, leather, apparel, textile, mining and other sectors that made up the core of American manufacturing. Not only the employees and their families suffered, so did suppliers, retail businesses, professionals, and all of the supporting institutions—municipal government, schools, churches, social agencies, and, not least, trade unions.

From one vantage point, the great economic changes of the 1980s can be viewed as a continuation of the U.S. economy's massive shift away from union labor over a period of three decades. This shift was barely visible for many years. Finally, two events of overwhelming importance forced recognition upon the labor movement. The first was the 1980 election to the presidency of Ronald Reagan, whom organized labor regarded as a bitter enemy. But it was a "crisis of capitalism," a cyclic business slump of giant proportions, that really brought labor to heel.

When the devastating recession of 1981-82 finally began to recede in early 1983, organized labor found itself stranded on an eroding beach. It had lost 3.4 million members, 11 percent of its 1979 membership. There had been plant closings and business failures in numbers matched only during the Depression. In the past, labor had rebounded from business slumps when the economy recovered. That was not to be in this cycle. Manufacturing employment did not return to the previous level, and the unions continued to shrink as business returned to normal, losing another 328,000 members by the end of 1984.

In the Pittsburgh region, one of the hardest hit by all of the above trends, ninety-five thousand manufacturing jobs disappeared between 1980 and 1983 in a labor force of slightly over 1 million. The region includes Allegheny County, sometimes called the birthplace of organized labor, where the predecessor of the American Federation of Labor (AFL) was founded in 1881 and the forerunner of the USW in 1936. According to one estimate, union membership here dropped from 30 percent of the work force to 21 percent in the 1970s and to less than 17 percent in the 1980s.[1]

These losses forced the unions into a retreat that exposed a vulnerability to attack on many fronts—economic, political,

and legal—that hadn't been tested since before the New Deal. American unions lost jobs, members, dues income, and respect, but the biggest blow to their pride and standing was a reduction in living standards through wage cuts. Although Europe's recession was every bit as deep as, and even longer than, the U.S. downturn, European unions avoided a similar fate by winning larger government subsidies for underemployed members. Lacking that kind of political clout, American unions were forced to swallow embarrassing wage reductions. In 1983, the peak year for wage concessions, about 28 percent of all newly negotiated major union contracts contained either wage freezes or cuts, and the trend diminished only slightly in the next two years (27 percent in 1984 and 25 percent in 1985).

The concessions often enabled financially troubled companies to survive. But in the anything-goes, free markets atmosphere encouraged by the Reagan administration, many healthy firms exploited the concessionary trend without fear of being called to moral account. As the wave of "concession bargaining," as it came to be called, swept through industry, the old practice of "scabbing" reappeared. High rates of joblessness created what AFL-CIO President Lane Kirkland termed "an army of long-term unemployed" who were willing to cross picket lines and take strikers' jobs.[2]

In Washington, an unfriendly administration controlled the White House and the U.S. Senate (during Reagan's first term) and sealed off all channels of government decision making from the AFL-CIO. Labor's influence on Capitol Hill diminished markedly, even in the Democratic-controlled House. The National Labor Relations Board (NLRB) had come under the control of conservative members appointed by President Reagan and soon began reinterpreting labor law in ways that would further weaken unions.

All of this sent an unmistakable message to the unions: In the eyes of the administration, many employers, and even many workers, they were expendable.

Indeed, the tide seemed to be running out on the American labor movement. It had been around for well over a hundred years, waxing and waning erratically. It had been harassed, suppressed, and incarcerated, but it had always fought back and always persisted. From the earliest days of the Republic, the movement had given life and hope to a long procession of tradesmen and craftsmen—coal miners, carpenters, riggers,

masons and bricklayers, ship builders, teamsters, molders, locomotive engineers, machinists, glass bottle blowers, printers, hatters, boot makers, cigar makers, garment makers, boiler makers, and many other kinds of "makers" who formed the base of American industrialization.

In the 1930s the movement added a young and militant wing, one molded by the Depression out of the industrial masses who crammed the nation's factories. Laboring in faceless swarms at giant machines, they became known as "workers"—auto workers, rubber workers, steel workers, electrical workers, oil and chemical workers, aluminum workers, smelter workers, dock workers, glass workers, and later, when the industrial ethic penetrated the service trades, hospital workers, clerical workers, and food and commercial workers. As an invading force in the 1930s, this wing led the movement in a major assault on American-style capitalism in the mining, manufacturing, construction, and transportation sectors and sent advance columns into retail stores and the white collar area.

With passage of the National Labor Relations (Wagner) Act of 1935 and the creation of the NLRB, the movement was given legal title and guaranteed the right to exist. For meritorious service during World War II in observing a no-strike pledge, organized labor was given turf and protection by a grateful government acting on behalf of the people. Aided by the country's rapid postwar growth, the movement entrenched itself—deeply, it appeared at the time, although this was illusory—in the American economic system. Its constituent unions amassed enormous economic and political power. The unions advanced in the political area by rewarding their friends and punishing their enemies in Congress, state legislatures, and city councils. Through collective bargaining they raised the standard of living of millions of members, as well as nonmembers whose employers paid higher wages to avoid unions.

There was corruption in labor's ranks, no more than in any commercial walk of life, though more publicized; there were tyrants who ruled with an iron hand and paid little attention to the needs of their members, but they were far fewer in number than those on the corporate side of the field; there were strikes and slowdowns, but not much more—and perhaps even less—than might have been expected of any industrial democracy. Business rallied to limit labor's power in the late 1940s with passage of the Taft-Hartley Act, and union

organizing slowed down. Nonetheless, the movement had extended into every part of American life by this time. The most prominent labor economist of the time predicted in 1948 that the United States would become a "laboristic" society.[3]

Barely three decades later, however, the movement was in deep trouble, for many reasons. Fundamental structural changes occurred in the economy that were not foreseen in the 1940s. Few predicted the great shift of employment from the Northeast and Midwest to the South and Southwest, where employers were stronger in their opposition to unions. It was inconceivable then that Japan, West Germany, and other European nations would rebuild so well after the war, with American aid and technology, that they would become major competitors of our basic industries. No one in the 1940s or 1950s foresaw the rise of the Developing World as an industrial power.

Who could have foreseen that American women, though they had always represented a comparatively large proportion of the U.S. labor force, would in the 1970s constitute half of that force? There were good reasons for women to enter the workplace in increasing numbers, including the corroding effect of inflation on the family budget and women's desire to move out of the kitchen and into a wider world. But if the husband remained the primary breadwinner, the wife had less reason to embrace unionism. By the mid-1970s, as more and more low-income women held jobs, polls began to show a positive attitude toward unions. The unions, however, hadn't found a way to translate this change into increased membership.

One fundamental change was already under way in the 1940s: the long-term decline of employment in goods-producing industries and the corresponding rise in service industries where unions are weak. The change had been occurring gradually for most of this century, and this very gradualism seemed, to labor leaders unused to long-term planning, to permit infinite opportunities to exploit the trend—somewhere down the road. As always, gradual change occurred much faster than the human mind will admit. Suddenly, in the 1960s and 1970s, the United States became a fast food addict, and McDonald's—the prototypical employer of young part-timers who think they have no need for unions because they are bound for better things—became one of the largest employ-

ers in the nation. From 1959 to 1986, service-producing jobs increased by 42.4 million, to 75 percent of nonfarm employment, while the goods-producing sector added only 4.5 million jobs and fell from 38 percent to 25 percent of employment.[4]

Labor's own mistakes and lack of aggressiveness contributed to the slowing of momentum. In highly organized industries like steel and autos, unions felt little need for further organization and did not branch out rapidly to other occupations in anticipation of shrinkage in their core industries. The unions spent $1.03 (in wage-deflated dollars) per nonunion worker for organizing in 1953 but only $0.71 in 1974, a drop of 30 percent. Spending less and encountering greater employer resistance, the unions had proportionately less success recruiting new members as the population and labor force grew.

It may well be, as one sociologist contends, that Americans began backing away from organized labor as their dislike for union behavior grew. Other students of the U.S. labor movement demonstrate the growth of "an alternate nonunion system of industrial relations" since the 1960s. Companies involved in this trend take great care to establish compensation and other programs that preempt the unions' appeal to workers. At the same time, some companies have increasingly resorted to illegal methods, such as firing union activists during organizing campaigns, to dampen workers' enthusiasm for the union. By the 1980s, one analyst calculated, for every twenty workers who voted for a union in a representation election, one was illegally fired—an astonishing indictment of employer behavior.[5]

Whatever the reasons, labor's bright promise of the 1940s began to fade. Sometime during the 1950s, organized labor in the United States reached a turning point, although few union leaders or labor observers recognized it at the time. Even when observers began reporting on declining membership, in the early 1970s, labor leaders—especially AFL-CIO President George Meany—belittled its importance.

Statistics on union membership show a remarkable rate of decline. The greatest surge in unionization in the United States occurred in the twenty years between the depths of the Depression and the mid-1950s, when millions of workers in the mass production industries poured into the newly organized industrial unions as well as the older craft unions. In 1953, the peak year, unions represented 32.5 percent of all

nonagricultural workers, but only 18 percent in 1987. (In private industry, the density fell from 35.7 percent to 13.4 percent in 1987.) During that thirty-year period, union membership grew in absolute numbers but not nearly as fast as the labor force.

And the decline continues. Two Harvard University economists, Richard B. Freeman and James L. Medoff, describe it as the "slow strangulation" of organized labor. In the early 1950s, unions each year organized roughly 1 percent of the private, nonagricultural work force through elections conducted by the NLRB. Twenty years later, in the early 1970s, the proportion had dropped to 0.3 percent, producing fewer new members annually than are lost through attrition. At that rate, Freeman and Medoff calculate, the union share of the work force tends to decline by roughly 3 percent per year.[6]

A movement with 17 million people—the total union membership in 1986—cannot be said to be moribund—yet. But the prospect of a slow wasting away, fighting losing defensive battles in retreat, does not augur well for organized labor. The movement needs to reshape itself on the lines of a radically different model, and it is questionable whether major reform is possible short of a crisis—that is, the prospect of instant death. A union derives its effectiveness from economic leverage—which increases in proportion to the percentage of employees it represents in a company or industry—and from the morale of its members. Declining membership reduces leverage and makes it difficult for workers to hold to the old belief in the collective strength of numbers. The sweeping dislocations caused by the recession have altered that rank-and-file view in once-strong union centers such as Detroit, Pittsburgh, and Chicago. "I don't need to belong to a union to take a wage cut or lose my job," became a common saying.

The point is that when the members have little faith in a labor movement, it may in fact be dying. Union leaders scoff at this notion. They point out that the death knell for organized labor has been sounded many times, only to be followed by a resurgence. However, the last time this happened, in the 1930s, the unions were aided by a new political environment accompanying the Depression and new federal laws protecting unions.[7]

Such a turnaround is not out of the question in the 1980s or 1990s, although people who study labor's situation are hard

put to say how it could come about. The political environment shows no sign of significant change, and if any new labor legislation is enacted, it is likely to be unfavorable to unions. There have been suggestions that the crowding of labor markets by well-educated men and women of the "baby boom" generation might eventually lead to pressures for unionization. Young white-collar workers are likely to be jostling one another, fighting for the limited number of jobs with salaries and the potential for advancement that they had been led to expect.

On paper, white-collar workers seem ripe for unionization, especially those who labor in the huge clerical factories of insurance companies and banks, processing claims, checks, and whatnot on electronic assembly lines. A few unions have organized some of these workers. But there is no mass movement toward unionization. Still, the hopeful contend, growing discontent in these areas could seed the ground for another great spurt in unionization. This is possible.

Few stars fall from the sky, however. Rather than wait for such an epochal event, the labor movement would better serve itself, and the national interest, by seeking new ways to do what it alone can do: represent the interest of workers in a capitalist society. The old ways are no longer sufficient for this purpose.

Management's Strategic Failures

It is not only organized labor, however, that has lost its way. So has management, with even greater repercussions for the nation's competitive ability. The dimensions of management's failure can't be clicked off on the same counter that measures declining union membership. But one can look at America's dwindling competitive ability in the following light. It is management that sets the tone of a relationship between supervisors and employees in a workplace. It is management that determines how much is going to be produced, in what amount of time, with how much emphasis on quality. And it is management that constantly looks to the future and plans ahead for shifting patterns of consumption, the growth of competition, and the development and use of new technologies.

That American management generally has performed less than adequately in these functions has been amply docu-

mented in recent studies. Steel management, in particular, failed to develop and carry out competitive strategies in the 1960s when Japanese steelmakers began threatening the United States' world leadership in this industry. As one study points out, managers of the domestic steel companies lacked the worldwide business outlook that drove Japanese firms to seek raw materials in all parts of the world and to build modern plants next to deep-water harbors in order to export steel. The American companies did not develop resources abroad and followed an inconsistent approach in modernizing plants at home. As a result, the domestic industry lost its long-standing advantage in raw material costs and wound up with partially rebuilt plants scattered across the country (see chapter 4). The Japanese, concludes one study, "had put together raw materials with modernized large-scale facilities in strategic locations. They had gone ahead; we had not. Their steel industry had been well managed; our steel industry had been badly managed."[8]

Managements in industries such as autos, rubber, agricultural implements, and semiconductors made similar strategic mistakes. This poor performance is one reason for the decline of American manufacturing as a source of high-income employment. Other reasons include unfavorable currency exchange rates, which aided imported goods in the early 1980s; the industrialization of low-wage nations such as South Korea, Taiwan, Brazil, and Mexico; relatively high labor costs in the United States; and automation. As a result of these and other factors, manufacturing employment fell by 1.9 million from the prerecession 1979 level to 1986.[9]

In some ways, the most troubling failure of American management occurred in the area of organizing work and managing people in the workplace. Contrary to the notion that the workerless factory is just around the corner, people are still the most critical element in production. The structure of the industrial relations system used by most American companies, however, fails to take full advantage of the ingenuity of employees. Loosely defined, the industrial relations system is comprised of employees (union or nonunion), managers, and government interacting in a system that provides the rules, ideology, and economic framework for everything that affects the employment relationship. Included are wage decisions, work organization, working conditions, and enforcement of labor legislation.

Among the problems that emerged within the system were these: The traditional mode of "pattern" bargaining produced excessive wage increases in many cases; the organization and management of work on an old-style basis—narrow, functionally defined jobs and autocratic management style—resulted in alienated workers, poor product quality, and lagging productivity growth; a decades-old political hostility between labor and management organizations at the national level prevented progress on needed legislation.

Americans had lived with these problems for a long time. But in the increasingly competitive world markets of the 1980s, they assumed larger importance. Reforming the industrial relations system had become imperative, and so had the need for unions to alter their roles in the economy. Their function in the workplace, for example, is based on concepts developed in the 1930s and 1940s.

To show how this role has become largely irrelevant, the next section sketches the evolution of labor relations after World War II.

The Turning Point After World War II

Before the war, the hostility of management forced the unions to operate as outsiders. They were interlopers trying to batter down the doors of capitalistic greed. This role conferred upon the unions considerable ideological force which kept alive the possibility that they would lead the nation down the road to socialism. However, the needs of wartime production forced a compromise. Management reluctantly accepted the unions and joined them in devising peaceful procedures for resolving disputes over wages and working conditions.[10]

In the glow of patriotism, some industrial employers even agreed to set up labor-management committees within the plants and to listen to workers' ideas for improving output and quality. Philip Murray of the Steelworkers, Walter Reuther of the United Automobile Workers (UAW), and a few other labor leaders pressed insistently for a greater union voice in company decisions. Murray's concept of "industrial democracy" involved joint management through "industry councils."

When the war ended, employers needed labor stability to reap the huge profits promised by a pent-up demand for consumer goods. Instead of reviving the prewar battles against

unions, management decided to live with them, although largely on management terms. The companies, for example, proclaimed the existence of a broad class of matters (production and work scheduling, operational decision making, pricing, etc.) that were covered by "management prerogatives" and thus protected from union interference. The corporate community also lobbied for, and won, passage of the Taft-Hartley Act, which severely limited union actions in many areas (for example, it outlawed the secondary boycott).

Unions grumbled about this bargain but accepted it. The prosperous postwar economy presented them with an unparalleled opportunity to raise the living standards of their members. They focused their energies on bargaining for wages and the then-new fringe benefits, such as pensions and health insurance. The idea of industrial democracy was thrown out the factory window, where it lay unused for more than a generation.

This was a turning point of immense importance and one that I shall address later in greater detail. Had the USW and the UAW taken the road of participation at this crucial juncture, the histories of their two major industries would have been vastly different. Of course, there is something illusory about dealing with what might have been. In this case I believe it is justified, especially with regard to the Steelworkers. Murray, the USW's first president, did not choose the road that the union would travel for the next thirty-five years by stumbling into it blindfolded. He made a purposeful decision, reacting to the closed-mindedness of industry leaders of the time. As I shall demonstrate, the deterioration of work and life in the mills of the Monongahela Valley—and their eventual closure—flowed partly from the management and labor decisions of the 1940s.

The point is that when organized labor became an insider, so to speak, in the economic system, it lost interest in what was happening in the work process. The union presence remained strong on the factory floor in the person of the steward or grievance committeeman. But he or she fulfilled a narrow, quasi-legal function of filing grievances when members complained about management decisions such as disciplinary actions or job assignments. The union took virtually no part or responsibility in making the workplace more productive, or in gaining a direct voice for its members in operations.

Management insisted on this arrangement as long as pros-

perity lasted, for it kept the factories humming and the profits flowing. Moreover, it kept the union out of management's business. Achieving labor peace and preserving management control were perceived to be the key labor problems that industrial relations executives were expected to solve. The union had no concern for competitiveness and rejected the idea that it bore any responsibility for seeing that the plant operated efficiently. The old saying that "management manages the business and the union 'grieves'" concisely described the explicit, and artificial, division of responsibilities.

While unions were no longer the ideological outsiders they had been in the prewar days, they kept up the pretense. They crouched just outside the corporate boundaries, driving in to the attack during contract negotiations, but then pulling back with their gains and returning to a sated, watchful rest. Through this pretense the unions maintained a mythical independence, apparently standing aside from capitalism even as they rooted in the corporate fruit cellar.

American labor and management constructed a rigid, legalistic industrial relations system that, in a sense, ignored the outside world. It tended to alienate workers and could not adjust readily to changes in technology, geopolitics, and international trade.

For twenty or twenty-five years after the war, U.S. industry had virtually no competition from abroad. Wages in the unionized sector of the private economy jumped far out of line in the late 1970s just at the time when foreign and domestic competitors were becoming strong. According to data compiled by Freeman and Medoff, the union wage advantage over nonunion workers rose to about 25 percent in the late 1970s, some 10 to 15 percentage points above the normal premium.[11]

The economic crises of the late 1970s and early 1980s exposed the failures of this system. Management by and large had not shared information with the unions, had not attempted to establish a feeling of mutual trust, had not dealt with workers as adults. Nor had unions, at most companies, demanded such treatment. Lacking the employees' trust, management often found it almost impossible to convince workers that wage cuts and changes in work practices were necessary.

The tragic loss of jobs and the decline in union membership detailed in the early pages of this chapter resulted in part

from these failures. The dislocations undoubtedly would have been severe even with ideal union-management relations. A certain amount of strife was inevitable; people were being asked—or forced—to reduce their standard of living. But the extent of the misery and turmoil was aggravated by the inherent weaknesses in the system.

The economic strength of unions in the United States has depended largely on the role they choose to play, or, given the restrictions of labor law, are able to play in industrial relations. That the unions failed to occupy a central, unassailable position in the corporation—and thus in the economy—goes a long way toward explaining their decline.

Many thoughtful labor leaders and union supporters are now coming to see the need to adopt a new role. One of these is Ben Fischer, director of the Center for Labor Studies at Carnegie-Mellon University in Pittsburgh. A white-haired, slow-talking man with a sharp wit and not much patience for conventional wisdom, Fischer worked for more than thirty years on the USW staff. An arbitration expert, he was an innovative negotiator and served as an "idea man" for four Steelworker presidents. He sees the future of labor this way: "What the labor movement really must do is update the definition of its objectives. It must become part of the management structure, to help secure the success and position of the firm as the thing most meaningful to the worker. There are two reasons for the union to have a role in management. One is that the union has a better capacity, or should have, to know what's best for workers. The other is that it gives management a good channel for relating to the work force. Management and the union can manage the work force more effectively than management alone can."[12]

These are hard words to swallow for a labor movement used to acting as the outsider. It is difficult for unionists at all levels to put aside fears of being co-opted in the corporate vortex. Militant leftists and the espousers of traditional "business unionism" argue that this is the wrong road to travel. However, growing numbers of labor leaders are advocating shop-floor collaboration with management as a means of making work more satisfying and the firm more competitive. In the 1970s only two high-ranking leaders, Douglas A. Fraser, president of the UAW, and Irving Bluestone, a vice-president, actively supported worker participation, or Quality of Worklife (QWL), as the concept was known

at the time. By the mid-1980s, the list had grown substantially and included such strong advocates as Lynn R. Williams, who became president of the USW in 1984; Donald F. Ephlin, the UAW's chief negotiator at General Motors; William Bywater of the Electronic Workers; and Morton Bahr of the Communications Workers. Even the AFL-CIO, which had for years either ignored the issue or spoke of it in skeptical terms, officially urged its affiliated unions to "accelerate" participation efforts.

In the beleaguered steel industry, the USW's Williams began pushing his union aggressively toward gaining a major voice in management decisions. "A lot of trade unionists seem to be frightened of [participation]," Williams said at a 1984 conference. "[They are] frightened of it as an antiunion tool, frightened of it as a way of defeating the labor movement.... I'm inclined much more to see it as a way in which to build the labor movement."

There was increasing evidence that rank-and-file workers themselves wanted to be more deeply involved in their work, assuming some responsibility for the success of the business. The "baby boom" generation's demand for more challenging jobs converged with the need to become more competitive, and participation spread significantly in the 1980s. Thirty-six percent of two thousand workers surveyed in 1985 reported that their companies had formal involvement programs, and 23 percent said they were personally involved.[13]

Management generally, however, was not willing to share power to the extent necessary. Many involvement programs did not give workers significant voice in company affairs. Nevertheless, a real movement—with leaders and grass-roots backing—was under way. In a minority of cases, worker participation had moved to higher levels than cooperation on the shop floor, involving, for example: union representatives on boards of directors; workers consulted on technological change, plant location and even product design; unions with a voice in hiring and training decisions; rank and filers virtually bossing themselves on semiautonomous work teams. Slowly, inexorably, workers were becoming involved in running the business, on the shop floor, in the plant manager's office, and on the corporate board.

I will deal in greater detail with crucial issues posed by participation for both management and labor. The point of this chapter is that the labor movement has been severely

weakened by its failure to adapt to changing circumstances. Of course, some adverse effects of the changing international economic order were unavoidable. But by the mid-1980s, the balance of power in labor relations had changed fundamentally. Three examples will suffice.

The Teamsters, once a national leviathan that held most of the nation's truck-freight system under one contract, could no longer call a nationwide strike. In the auto industry, the weakening of the UAW led to the defection of its one-hundred-thousand-member Canadian branch. This would greatly complicate the ability of the two unions to coordinate bargaining across the border at U.S. and Canadian units of GM, Ford, and Chrysler.

The final example involves the Steelworkers. In 1959 the USW shut down the entire steel industry for 116 days, causing such economic damage that a federal court ordered a halt to the strike so a settlement could be negotiated. But in the 1980s a USW "industrywide" work stoppage would have barely shut down 50 percent of production, given the rise in nonunion producers and foreign imports. When the union embarked on a pivotal strike in August 1986 against the company that had become its arch-enemy, a vastly shrunken U.S. Steel, the nation displayed almost total indifference.

Union Weakness in the Reagan Era

It wasn't only the unions' refusal to adopt a new role that endangered them. During all their days of glory from the 1940s on, they occupied a highly vulnerable position in the American economy. In the rest of this chapter, I shall explore the peculiar status of an organized labor movement in a society that both dislikes unions and yet stands up for their right to exist. I begin in the watershed year of 1981.

Ronald Reagan became the thirty-ninth president on January 21, 1981. He embarked on an economic program that would, with the help of Congress and the Federal Reserve Board, dramatically reduce inflation, establish a tax policy that favored the rich over the poor, and lead to unemployment rates of close to 11 percent in 1982. In federal agency after agency, Reagan's appointees began dismantling machinery that had been set in place under laws lobbied into existence by the unions. The Labor Department, the NLRB, the Equal Employment Opportunities Commission, and the Occupa-

tional Safety and Health Administration—all of which have a major impact on labor's rights in the workplace—came under the control of people whose main intention was to reduce or eliminate the regulatory impact of their agencies.

The crowning blow for organized labor, however, came in the middle of summer, from an unexpected direction.

Monday, August 3, 1981, was an uncomfortably muggy day in Chicago. At 7 A.M., Lake Michigan was placid and pondlike. Just north of the Drake Hotel, vapors rose from wavelets that barely ebbed ashore on the sandy Oak Street beach. Low-lying fog trapped this warm mist, turning the lake front into something like a vast steam room. As I jogged north along the concrete walk skirting the beach, feeling sticky and out of breath, I could hear approaching runners before they suddenly materialized. Fortunately, they were all more agile than I and swerved to avoid a collision, leaving me bucking their slip streams.

As I meandered along the lake front, strike pickets were forming in front of the control tower at O'Hare International Airport, some twenty-five miles north and west. The Professional Air Traffic Controllers Organization (PATCO) had called a national strike for 7 A.M., local time. By 9 A.M. Chicago time, more than eleven thousand three hundred air controllers were engaged in a walkout that, from the beginning, was destined to become a long, tragic march to the graveyard of lost strikes—and broken unions.

Eleven thousand three hundred men and women—"strong, emotionally normal, dominant, independent, highly motivated" people with higher intelligence levels than the national average, who held elitist notions about themselves ("a breed apart," they boasted), who worked under stressful conditions (and loved their jobs), who earned considerably more than the average American ($31,000 a year in 1981), and who thought they were indispensable (and history may show that they were)—had taken on the federal government to better themselves and the air traffic control system. When they lost, they lost everything.[14]

That same morning, hundreds of conventioneers and conference attendees of various faiths and disciplines assembled in the many "conference facilities" of Chicago's Hyatt Regency Hotel. Among them were the thirty-two members of the executive council of the AFL-CIO. Made up of the AFL-CIO's two principal officers and thirty presidents of major

unions, the council is the ruling body of the federation between biennial conventions. Since the merger of the AFL and the CIO in 1955, it had been the custom of the council to hold two major meetings each year, a mid-winter gathering in Bal Harbour, Florida, and a mid-summer assemblage in Chicago. That the 1981 summer meeting started on the same day as the PATCO strike was an unfortunate happenstance, for it revealed with painful clarity just how powerless organized labor is in the United States.

Although PATCO was an AFL-CIO affiliate, its officers had failed to keep the federation informed about the status of negotiations. The failure was especially galling to the unions whose members would be affected immediately by the walkout, including the Machinists, the Air Line Pilots, the Railway and Airline Clerks, the Teamsters, and various flight attendant unions.

Shortly after noon, Lane Kirkland, the AFL-CIO president, recessed the council meeting and walked down the corridor to hold a news conference. A native of South Carolina, Kirkland had been a member of the Masters, Mates & Pilots Union while serving in the Merchant Marine. But he had spent most of his career in labor as an intellectual and staff aide (he was George Meany's right-hand man for years). Portly and solemn, he looked less like a picket-line unionist than he did an aging Shakespearean scholar with rumpled hair and a crooked tie.

Kirkland sat behind a cluster of microphones in a crowded room and read a statement deploring Reagan's 30 percent, "supply-side" tax cut (recently approved by Congress) as a "trickle-down" program that benefited the rich over the poor. When the questioning started, a reporter noted that Reagan had issued an ultimatum to the striking controllers: either return to work within forty-eight hours or be fired. Kirkland characterized the threat as "harsh and brutal overkill directed against a relatively small number of loyal and responsible American citizens." But there was little more he could say.[15]

It became obvious during the four-day council meeting that the Reagan administration had no intention of seeking the AFL-CIO's help to end the walkout. The federation was cut off from any important channel of communication with the administration. Although Kirkland was the titular head of some 18 million union members, he would have to stand by

powerless as the administration broke the air controllers' union across its knee.

Like all federal employee unions covered by Civil Service laws, PATCO was prohibited from striking or engaging in real wage bargaining. Nevertheless, since its inception in 1968, PATCO had staged six slowdowns or "sickouts." But the union's past success in disrupting air traffic led its leaders into serious mistakes of tactics and judgment. In 1981 they planned to use this power to highlight the faults of the Federal Aviation Administration (FAA), an agency notorious for its militaristic, unresponsive management. The union asked Congress to establish an independent FAA with authority to bargain contracts. Despite the no-strike rule, PATCO set up a strike fund to flaunt its strength.

In June 1981, PATCO President Robert Poli accepted an FAA contract offer with pay increases more than double those received by other federal employees. However, the package fell short of PATCO's high demands, and the membership rejected it in a mail ratification vote.

The FAA refused to increase the offer and prepared to implement a strike contingency plan that had been devised by the Carter administration. It called for staffing the control towers with retirees, army personnel, trainees, and controllers who were willing to cross the picket lines. PATCO leaders dismissed the plan. They were confident that they could paralyze air traffic, a disastrously mistaken judgment that was shared by local leaders as well. At the FAA's Air Traffic Control Center in the Chicago suburb of Aurora, Local 301 President John Schmitt was quoted as saying: "It would take a minimum of ten to twelve years to replace thirteen thousand of the most highly skilled air traffic controllers in the world." Eventually, the FAA scraped together ten thousand people to replace the fifteen thousand five hundred who had operated the air traffic control system (about forty-two hundred of the original controllers kept working) and ordered airlines to cut about 25 percent of their flights.[16]

On August 5, the third day of the walkout, President Reagan made good his threat and fired all striking controllers. Neither the executive council nor unions representing other airline employees—pilots, mechanics, baggage handlers, and ticket clerks—had taken any strong actions to support the strike. The most likely leader of a sympathy strike was

William Winpisinger, president of the International Association of Machinists (IAM). A big, likable man and a capable union president, Winpisinger was an avowed socialist and tended to talk in more militant terms than most other council members. The IAM represented some fifty-five thousand machinists and other ground personnel at the airlines and, second only to the Air Line Pilots' Association (ALPA), had the occupational leverage to plunge the nation into a transportation emergency.

Winpisinger had told the executive council he would call out his airline members if the other involved unions did so. But the council held back because of two formidable problems. One was legal in nature. A work stoppage by the airline unions would be viewed as an illegal secondary boycott against employers (the airlines) who were not directly involved in the dispute. Moreover, the union presidents feared that to call out their members to support the air controllers would be to put themselves at the head of phantom columns. Only a tiny minority of airline employees regarded the PATCO battle as a "working-class struggle" that all must join. Indeed, like the general public, many machinists probably viewed Reagan's threat to fire the controllers as an overdue disciplinary action against a badly behaved child—a child who was already paid far more than most machinists, ticket clerks, and flight attendants.[17]

On the first day of the strike, reporters cornered Winpisinger and asked whether he would order his locals to walk out. "I'm not prepared to tell anybody anything," he snapped. "The locals will make their own decisions." But I saw the rage and frustration in his eyes as he wheeled and walked away.

ALPA, the conservative pilots' union, was the least likely to stage a sympathy strike. There was no love lost between pilots and air controllers who often accused one another of air-traffic foulups. During the strike, ALPA repeatedly issued statements that flying was safe, an action that reassured the public but undermined PATCO's position. In the end, labor's support of PATCO was limited to contributions to a relief fund, symbolic demonstrations, and a temporary boycott of air travel by some union officials.

When a reporter pressed Kirkland on why the federation didn't call for a "general" strike of all workers, he replied: "I am not prepared to declare, nor do I have the power to declare,

or order, things to be done by great masses of working people in this country."

Kirkland went on to note that the AFL-CIO was a body of autonomous union affiliates with no power to compel its member unions to do anything. Moreover, the illegality of the secondary boycott posed the possibility of "enormous and unlimited fines" for violators. Given those circumstances, Kirkland added, only a "midnight-gin militant" would talk seriously of calling a general strike.

PATCO quickly lost public support. The administration dramatized the illegality of the walkout, based on the no-strike oath that all federal employees are required to make as a condition of employment. Meanwhile, comments by PATCO leaders created the false impression that the controllers were striking for a $10,000 salary increase.

The real strike issues involved demands for shorter work hours (a four-day, thirty-two-hour schedule) and a voice in choosing equipment to help relieve excessive job-related stress in the control towers. Controllers also wanted a liberalized pension plan, contending that "burnout" forced many controllers to retire before accumulating full pension rights. "The $10,000 demand killed us in the media," writes David Skocik, a fired controller and coauthor of a book on the strike. "Of primary importance to most was a *reduced work week* and *achievable retirement*—which meant hiring more controllers."

PATCO leaders committed other errors. They had supported Ronald Reagan for the presidency in 1980 and apparently expected him to respond in kind. They failed to consider that an illegal strike would present Reagan with an ideological issue that was ripe for conservative plucking. Herbert R. Northrup, a labor scholar at the Wharton School, concludes: "Rarely has such an amateurish performance by a union been displayed so publicly or dealt with so decisively."[18]

Although PATCO pickets continued to appear at airports into November, their strike probably had been lost by about mid-August. Unable to escape the tightening grip of injunctions and criminal and contempt actions brought by the administration and the airlines, PATCO was decertified. But the administration's victory came at a considerable cost. A congressional study group estimated that the cost of training new controllers, along with the losses suffered by the airlines, would total $12 billion. Five years after the firings, the air

traffic control system still had not recovered from the loss of experienced personnel. Despite a 10 percent increase in air traffic by 1986, the FAA was operating with 13 percent fewer controllers than in 1981. Near collisions in midair rose alarmingly, from 395 in 1981 to 777 in 1985.

Moreover, a number of studies later vindicated Robert Poli's charges about working conditions under the FAA. A congressional report in 1984 said that "human relations in the FAA have not improved since the strike." The truth of this was borne out in a 1987 vote by air controllers to form a new union.

In the final accounting, 11,345 controllers were fired. A few hundred eventually won reinstatement through the courts. As of spring 1986 roughly 10,000 had found other jobs, but most would have returned to the FAA if offered reinstatement. The tragedy for them was not merely one of losing a job. They had been "traumatically cut off from the most invigorating and rewarding jobs they could ever imagine filling," writes Arthur B. Shostak.[19]

It was a matter of note that these white-collar technical workers, without much background in unionism, were able to sustain the strike as long as they did. Some labor intellectuals viewed this, with hope, as the emergence of a new working-class. "The PATCO strike's importance," wrote Stanley Aronowitz in 1983, "lies in the fact that it was the first major internationally noted strike among the new 'class.'" But the "new class" had much to learn about the uses of power.[20]

Before the 1930s, the federal and state governments had crushed many strikes and destroyed countless lives by serving as enforcement arms of the courts. Only once before, during the 1894 strike of Eugene V. Debs's American Railway Union at the Pullman Company, had the federal government broken a national union. Such an act would have been unthinkable in France, Italy, Sweden, West Germany, and the Low Countries, where organized labor was entrenched. In Britain, however, Prime Minister Margaret Thatcher had substantial public support in her 1984 stand against a violent strike by coal miners.

President Reagan had good reason to fire the air controllers and decertify their union. They violated the law and broke an oath. But the refusal of the administration, years after the strike, to grant amnesties to the controllers seemed to visit more vengeance on them than their actions called for. As Shostak reports, the controllers paid a very high price for their

mistake "in terms of suicide, divorce, substance abuse, nervous breakdowns, and downward job-skidding."

Within months of the controllers' strike, evidence began to mount that the administration's decisive action was encouraging employers to take a harder line in contract negotiations. The practice of hiring strikebreakers to defeat legitimate strikes was used increasingly in the ensuing years, by companies such as Greyhound, Phelps Dodge, Continental Airlines, TWA, Danly Machine, Hormel, and the National Football League. Whether these employers took heart from Reagan's victory over PATCO is not known. But one thing was certain after the PATCO affair: Union-busting had received the official sanction of the U.S. government.[21]

A Train Back East

Although the Reagan administration dismissed Kirkland's views on the PATCO strike, I took one of his comments very much to heart. "The one thing that I want in that control tower," Kirkland had told reporters, "is people who are reasonably happy in their work, whose morale is good, who are satisfied with their working conditions." Having no confidence that this would be the case on August 5, the third day of the strike, I went, along with hundreds of other frightened travelers, to Chicago's Union Station and boarded the Broadway Limited at 7 P.M. Through the night, we jolted across the Midwest, stopping frequently in pitch darkness for no discernible reason.

Dawn broke on a misty Pittsburgh as we crossed the Allegheny River. That was when I discovered that the Broadway Limited no longer stopped in Pittsburgh but roared through as if the city were a whistle stop. I waited an hour in the dining car for a breakfast of mushy scrambled eggs, read everything I could find to read, and saw innumerable cows on innumerable hills as we lumbered across Pennsylvania. We arrived at Penn Station in New York at 4 P.M. I may have been the last journalist in the United States to spend twenty hours on a train to avoid a two-hour plane trip.

Union-Busting Precedents

The AFL-CIO's inability to protect, or help in any way, 11,300 of its own members in the PATCO strike stripped away all

pretenses about organized labor's vaunted strength in the United States. Legally and economically, the unions occupy a tenuous position in American life, and always have. From the first efforts of artisans in the early nineteenth century to form trade associations, American capitalism has regarded organized labor as an intruder in its domain and has fought to destroy it when times were propitious. The coming to power of Ronald Reagan in 1981 was one such time. The creation of the United States Steel Corporation in 1901 was another.

In both situations, the general atmosphere was one of vast economic restructuring, strong antiunion sentiment, and legal restraints on labor's power. In both cases, a mortal blow dealt to one union by a powerful employer caused shuddering consequences for the entire labor movement.

Eighty years, almost to the week, before Reagan presided over the demise of PATCO, the new U.S. Steel Corporation broke the back of the Amalgamated Association of Iron, Steel & Tin Workers, which predated the USW. Before the turn of the century, the Amalgamated was strongly entrenched in the iron and steel industry, representing at its peak in 1891 some twenty-four thousand workers, or two-thirds of those eligible for membership. Its members were mostly skilled workers such as iron puddlers and steel rollers and heaters, and their semiskilled helpers. The companies could not produce raw or finished iron or steel without them. Gradually, however, the union lost its leverage. It failed to change with the times, while the steel companies became more aggressively antiunion.[22]

The precedent was set in 1892 when Henry Clay Frick sent boatloads of Pinkerton guards up the Monongahela to dislodge Amalgamated strikers from Andrew Carnegie's plant at Homestead. In the ensuing battle, the workers won their famous but short-lived victory. The strike was crushed by the state militia, and Homestead—the union's largest plant—turned nonunion.

Later in the 1890s, two growing trends undermined the Amalgamated's position. One was steel's increasing displacement of iron as America's basic metal, thus making obsolete the skills of the iron foundrymen who formed the core of the Amalgamated. At the same time, steelmakers were introducing new machinery which could be operated by relatively unskilled laborers, with some training (and a very high accident rate). Despite this movement away from skilled labor, the union—like most other AFL unions—remained elitist. It

refused to admit the growing numbers of immigrant laborers in the mills.

The Amalgamated also failed to adapt its policies to a great wave of corporate mergers starting in the late 1890s. Up to then, manufacturing had been characterized by cutthroat competition between large numbers of relatively small companies. To reduce competition, corner the market, and stabilize profits, companies began a frenzied merging which eventually produced huge corporate combinations. By 1904 some 318 industrial firms controlled 5,288 separate plants. In the steel industry, the merger trend produced larger and larger combines, raising the threat of massive price-cutting wars which would reduce profits and endanger the investments of J. P. Morgan and other Wall Street financiers.

To prevent their elaborate financial structure from toppling, Morgan and other money men put together the largest of all mergers and formed a "steel trust" which was incorporated on February 1, 1901, as the United States Steel Corporation. It was a holding company of subsidiaries, including Carnegie's firm (Carnegie retired to devote the rest of his life to philanthropy), two other basic steel producers, five leading fabricators, and a host of smaller companies. This brought 60 percent to 70 percent of the steel industry under one corporate roof.

Almost immediately, "the Steel Corporation," as it was known for years, adopted an antiunion policy. Some of the subsidiary presidents who sat on the executive committee were violently antilabor. "I have always had one rule," said one of the presidents at an early meeting. "If a workman sticks up his head, hit it." On June 17, 1901, the committee ordered the subsidiary companies to oppose "any extension of unions in mills where they do not now exist."[23]

The purpose of this policy was to squeeze the union out of the plants it already held; the consolidation enabled the new company to switch work from the union to the nonunion plants. The Amalgamated demanded that U.S. Steel pay the union scale at all plants, and when the corporation refused, the union went on strike at some of the subsidiaries. Union leaders rejected one compromise offer that would have installed the union in eighteen of twenty-three mills. This was a grave mistake, for U.S. Steel hardened its demands, forcing the union to expand the strike in August 1901 to all U.S. Steel plants.

In addition to this tactical blunder, according to David

Brody, a labor historian, the union made "a final miscalculation" that (in a remarkable instance of historical parallelism) would be repeated eighty years later by PATCO: The Amalgamated "assumed the indispensability of its experienced men." Unskilled laborers, refused admittance to the union, had refused to strike at some plants. With these workers and imported strikebreakers, the company managed to open plants and produce steel. The Amalgamated appealed to Samuel Gompers, president of the AFL, for help, urging him to make the steel walkout "the central fight for unionism" in the United States. Gompers, however, refused to get other unions involved. Mounting sympathy strikes was an extremely risky business in the early 1900s, a time when courts routinely issued antistrike injunctions that were enforced by the police power of local and state governments.[24]

In September, with the strike breaking up, the union caved in and accepted a settlement that was worse than the company offer of ten days before. The Amalgamated had to give up fourteen formerly unionized plants. The union limped along until 1909, when U.S. Steel declared that it would no longer recognize the union at any of its plants. A hopeless strike followed, and the union was ousted from U.S. Steel.

Although the Amalgamated remained in existence for another thirty years, it was little more than a name in the official files of the AFL. Astonishingly, its superannuated officers continued to deny union membership to unskilled, immigrant, and black workers, who thereupon helped the steel industry break a national steel strike in 1919. At its founding convention in 1942, the USW mercifully ended the Amalgamated's interminable death throes by declaring it part of the new union.

U.S. Steel's victory over the Amalgamated in 1901, wrote the noted labor historians Selig Perlman and Philip Taft in 1935, "created an antiunion pattern of conduct amongst the large industrial interests." They added: "If unionism in America has never been taken as a matter of course in the big industries, in contrast with England and the industrial nations of the Continent, not the least of the causes was the antiunion attitude set by the United States Steel Corporation."[25]

It is reasonable to ask whether the death of the Amalgamated at U.S. Steel in 1909 really mattered to anybody except the union officers whose income depended on members' dues. One way of approaching this is to consider what the union

might have accomplished had it remained. The assumption is that it would have addressed labor's historic concerns, wages, working conditions, and hours of work. For at least a decade after the Amalgamated was kicked out of U.S. Steel, steelworkers made little progress in these areas.

For example, the two-shift, twelve-hour day was the norm in the steel industry for many years. In 1912, 50 percent to 60 percent of U.S. Steel's employees worked six days a week, or seventy-two hours; some workers labored seven days, or eighty-four hours a week. Although efforts to reduce the work week began at U.S. Steel in 1907, the corporation fended off all critics of the system and all campaigns for shorter hours until 1923. Finally, embarrassed publicly by Secretary of Commerce Herbert C. Hoover, U.S. Steel gave in and adopted the eight-hour day. During the sixteen years of delay, the long work week undoubtedly cut short the lives of an incalculable number of steelworkers.

In addition, steel wages remained unconscionably low, resulting in depressed living standards. Even a former vice-president of U.S. Steel wrote of his "disgust at the squalid living conditions" in the mill towns of the Monongahela, Allegheny, and Ohio valleys. Whose fault was this, he asked rhetorically, and answered: "Who maintained working conditions which tended to brutalize the body and soul? Answer—Carnegie Steel Company and U.S. Steel Corporation."[26]

Would the Amalgamated have made any difference? One must assume that it would have tried.

The Vulnerability of Unions in America

The purpose of the preceding section is not to suggest that labor strife at U.S. Steel in the 1980s flowed directly from the corporation's antiunion policy of 1901. What I mean to demonstrate is that American history is replete with examples of union insecurity in the corporate world. The breaking of the Amalgamated at the beginning of the century and of PATCO near the end demonstrate that management antipathy to giving workers an individual or representative voice in the workplace survived more than eighty years, despite growing evidence that this was the wrong way to run a company, or an economy.

American union leaders may understand better than anybody that their position is precarious. Yet after World War II

they did little to carve a secure niche for themselves in the American economic system. They failed to make themselves indispensable to workers—and managers—in leading the way toward work reforms that would increase productivity, raise the level of "democracy" in the plants, and keep the companies competitive.

From the mid-1970s to the mid-1980s, the unions rediscovered that they are highly vulnerable to economic slumps and corporate campaigns to achieve a union-free environment, and that they could no longer count on the law to protect them from their enemies. Having digested this unpleasantness, the labor movement cast about for another solution to their growing dilemma. One remedy, in a democracy, is what the unions call "political action," and they gave it their best effort in 1984. For the first time, the AFL-CIO endorsed a presidential candidate before he was nominated by a party convention. The experiment turned out badly, both for Democrat Walter F. Mondale (although he could not have beaten Reagan in any case) and organized labor. More than ever, the unions were accused of being a "special interest" group outside the main current of American politics. The AFL-CIO strategy, perversely, demonstrated that organized labor could not deliver on its claims of voter power.

And so, by the early 1980s, American unions were in deep trouble. They could no longer work the political magic that had made them a powerful lobby as recently as the 1970s. They rated low in public esteem. Legal embroidery was hemming them into a small corner of the economic quilt. They were ignored by a federal government that once trembled when coal miners, auto workers, or steelworkers shut down their industries. The protections once afforded unions and their industries by domestic regulatory laws and American dominance in the world economy were vanishing. This is the context in which my story takes place.

Of all the setbacks suffered by organized labor in the 1980s, none was more painful than the forced retreat from high wage levels that had been won in a more prosperous time. Collective bargaining was the one activity that labor had emphasized above all others for most of its history. Now, its power in that area would be challenged on a massive scale.

This was nowhere more true than in Pittsburgh, home of the large and powerful United Steelworkers, a union that had always prided itself for its ability to negotiate "top dollar"

wages. Pittsburgh also was the home of U.S. Steel, the titular head of the nation's steel industry, which had the most authoritarian of industrial managements. It soon would be the scene of a clash between these old-style titans, pointing up all that was wrong with traditional industrial relations in the United States.

Chapter 3

The Life and Style of Lloyd McBride

An old black and white photograph stood on a shelf in a conference room adjoining Lloyd McBride's office in Pittsburgh. It showed about seventy men lined up in neat rows outside the Foster Brothers Manufacturing Company in St. Louis. They were mostly young and confident-looking and, except for the coarse shirts, could have been mistaken for a graduating class at a small college. In reality, this was a snapshot of the American working class, Depression Era, 1940. Despite their obliging smiles for a photographer, the future held little promise for these men as long as the Depression lasted. There was, however, one cause for optimism: The union had come to Foster Brothers. Standing in the middle of the front row with folded arms, the sleeves of his denim shirt rolled up above the elbows, was the president of Lodge 1295 of the Steel Workers Organizing Committee (SWOC), a husky, smiling Lloyd McBride at the age of twenty-four. He projected a sense of directness, competence, and responsibility. This was the quintessential McBride.

He had become the family breadwinner at fourteen, dropping out of school to work at Foster Brothers for 25¢ an hour when the firm laid off his ill father. In 1936 SWOC organizers came to St. Louis, and McBride helped sign up his fellow workers in the bedspring manufacturing shop. When the first president of the local failed to stand up to management, McBride led a sitdown strike and took command of the union. Stepping up to a challenge, assuming responsibilities that others shirked, taking hard knocks for others—it was this character trait that, paradoxically, would make political enemies for McBride when he served as USW president. It

drove him in 1982 into a political quicksand of concessionary bargaining and, perhaps, endangered his health.

McBride was one of a legion of young, able men and women who were tossed up by the Depression to become local leaders in the burgeoning ranks of the new industrial unions. It was the chance of a lifetime for McBride, who had little education and no special skills beyond operating a punchpress. Yet he didn't fit the popular image of the young firebrand unionists of the 1930s who rose up and dealt capitalism a stunning blow. For example, Walter Reuther, a well-educated tool and die maker who had been steeped in socialism and trade unionism by family background, actually struck fear into the old-time industrial leaders with his fiery speeches and challenging ideas. Although he later dropped socialism as a political doctrine, Reuther never abandoned a personal vision of an ideal society with centralized economic planning and world government. McBride had a more limited vision. Unions existed to protect workers from ill treatment, to bargain a fair share of the employer's profits, and to influence the political process in a positive way for union members, consumers, and the poor. McBride had no ambition to lead the labor movement in pursuit of an ideological Utopia.

In 1940 McBride left the plant and joined SWOC as a staff man in St. Louis. His rise in the union was less than meteoric. When SWOC became the USW in 1942, the union was divided geographically into some thirty-five districts (the number has declined over the years as districts were merged), each headed by a director who also was a member of the union's executive board. In 1981 the board had thirty members, including twenty-four district directors, five top officers, and the national director in Canada. McBride worked on the staff of District 34, covering Missouri, southern Illinois, and neighboring states. The USW's structure, borrowed from the UMW, was based on a feudal distribution of power. The top-level tier of leaders included the president and two to four other officers (also changing over time). The president decided important policy matters and spoke for the union on national and international issues. He ruled the kingdom, while the directors ruled the regional duchies. The latter were allowed considerable autonomy, as long as they paid fealty to the president.

Local union offices were filled through vigorously contested elections. But one couldn't advance to district director with-

out the blessing of the USW's "official family," which consisted of the current directors and top officers on the International's executive board. Anyone who ran for director without being anointed was labeled a "rebel" or "dissident" and almost invariably defeated (until the 1960s). To become a director, a unionist had to get on the district staff, demonstrate an allegiance to the establishment, and wait patiently until the incumbent director quit, retired, or died.[1]

McBride waited for nineteen years, carrying out the duties of a field staff representative (organizing, negotiating contracts, and handling arbitration cases). Far from becoming impatient, he was grateful to the union. "It took me from a job that was dull and routine and put me into an exciting job," he once said. When District 34's first director retired in 1965, McBride was elected to succeed him and served twelve years in the post.

I met McBride in the late 1960s and was baffled by him. He went about quietly, in a businesslike manner and, in fact, looked like a moderately successful businessman, the owner of a small machine shop, say. He had a high forehead and a round slightly fleshy face that seemed to look upon life with an alert skepticism. Unlike most ambitious unionists with thoughts of high office, McBride made no effort to woo the press. I never saw him make a strong or flamboyant speech at a USW convention for or against anything. His speeches were practically devoid of polemics and rhetoric, and he seemed constitutionally unable to talk in terms that even hinted at a class struggle.

During these years, McBride (called "Mac" by friends and staffers) became known as one of the more competent directors in the union, a man of impeccable integrity. He worked hard and spent most of his free time with his family. He had converted to Catholicism when he married his wife Delores and remained deeply religious. Indeed, when he became president, a number of staffers noted a "religiosity" in the way he pursued some goals (wage concessions eventually became one of them). His hard early life may have contributed to his tendency to take moral offense at unionists who made excessive money demands. "I suspect he really thought that everybody was paid too much—steelworkers, staff members, union officers, everybody," said one staff man. McBride felt the same way about corporate executives. "When you leave employers to their own devices," he told me in 1983, summing up his feelings about the continuing need for unions, "greed quickly comes on the

scene, and they take more than their share. Many of them, left to their own devices, will really—as they have in other years—organize the workers for the union movement."[2]

McBride's long years in District 34 did not prepare him well politically or administratively for the problems he would face as International president. Although it had a few steel plants, the majority of the district's twenty-eight thousand to thirty-four thousand members worked in small fabricating shops, foundries, and lead and iron ore mines. McBride negotiated contracts at the small Granite City Steel Company and served as secretary of the union negotiating committee at Armco. This experience gave him little background for the industrywide steel negotiations that were so important to the USW. But it did influence him in developing a management style that would make him vulnerable as USW president. "Lloyd is a very tough-minded person," noted Bernard Kleiman, the USW's general counsel, in 1983. "He worked as a staff representative for many years. The really good staff representatives are very lonely people. They do it themselves, or not at all."

District 34 commanded less interest at the International headquarters in Pittsburgh than the dominant steelmaking districts. Operating far from Pittsburgh's prying eye, McBride developed an inclination to do things himself rather than ask for staff help from headquarters or delegate authority to his own staffers. Subordinates gathered information for McBride to act on. "I learned very early in my union career that you never went to Mac without having all the i's dotted and the t's crossed," said George Becker, a USW vice-president who worked under McBride in St. Louis. "He had an uncanny ability to sift out all the arguments and emotions and get right down to exactly what the issue was. I've seen him take letters that had been written by lawyers and correct spelling and punctuation, much to everybody's embarrassment." In staff meetings, McBride often expressed his displeasure with a technician's opinion or report in insulting terms.

McBride's district also was remote from the union politics that kept the larger steelmaking centers in turmoil. Districts 15 (Monongahela Valley), 31 (South Chicago, Gary, and northern Indiana), 20 (Aliquippa and the upper Ohio Valley), 26 (Youngstown), 7 (Philadelphia), and 8 (Baltimore) were always churning with internecine battles for control of local and district offices. Starting in the 1950s, rank-and-file campaigns to overthrow the top union leadership also drew most

strength from these regions. This dissent was healthy, but it also produced demagoguery and intrigue. District 34, by comparison, was a placid gulf, unswept by political tides. McBride always ran unopposed for office. As a consequence, he was ill-prepared for the hothouse political atmosphere that he encountered as president.

Indeed, McBride's election in 1977 to the top post resulted in part from deep political divisions in the big steel districts. When McBride announced his candidacy in late 1975, there was no obvious heir apparent to I. W. Abel, the USW's third president, who had served since 1965 and was due to retire in 1977. One likely candidate was Edward Sadlowski, the thirty-six-year-old chief of District 31 who had created a sensation in the union by bucking the "official family" to rise to director. He had criticized Abel publicly and fought bitterly with the president in executive board meetings. Abel hated the younger man and worried because leftist factions formed one source of Sadlowski's support, although Sadlowski also could be expected to draw a large vote from younger, independent unionists and from among the perennially disaffected steelworkers in basic steel plants.

But Abel lacked enthusiasm for other prospective candidates, including Vice-President John Johns and Joe Odorcich, then the head of District 15. Abel contended that he would have no part in picking a successor. But top staffers and directors close to Abel began to push McBride on the assumption that the president preferred him. Eventually, most of the union establishment rallied to defeat Sadlowski by electing McBride. Curiously, McBride seems to have had some misgivings at this point because of health problems and other concerns. According to Buddy Davis, a close friend and union colleague, McBride had a strong sense that if he became president, he wouldn't have a "normal retirement," a euphemism for dying in office. But the "establishment man" in McBride triumphed over these worries. After a long, rancorous campaign, in which the establishment did all it could to crush Sadlowski, McBride won by a vote of 328,861 to 249,281 and took office on June 1, 1977.[3]

A Threatening Trend

From his office on the twelfth floor of the Steelworkers' building in Pittsburgh, Lloyd McBride could take in one of the

most stunning scenes in industrial America. His desk faced two floor-to-ceiling windows on the western side of the building. He had only to raise his eyes to see, spread across his view, what used to be known as "the place where the West begins"—where the Monongahela and Allegheny rivers flow together and form the Ohio. That the president of an American union in the early 1980s could routinely take in this view, from a skyscraper owned by the union, showed how far the USW had advanced since its founding. Almost fifty years earlier, Philip Murray had launched the SWOC organizing campaign from a rented office in Pittsburgh's Grant Building. The union soon moved and for more than thirty years occupied several floors in the old Commonwealth Building on Fourth Street, hemmed in by other tall structures. The offices were small and shabby, but many union staffers rather liked the idea of working in a building that had ancient, cage-type elevators operated by old men in faded brown uniforms.

In 1973 the USW's fortunes changed (or seemed to change) dramatically. President I. W. Abel signed an agreement with the steel industry which *guaranteed* steelworkers a 3 percent annual wage increase, plus cost-of-living adjustments, in return for pledging not to strike the industry. The union no longer had to put its economic strength on the line; the gains would come automatically. It was like having a lifetime contract, and the future seemed secure. Later that year, the USW purchased a thirteen-story office building on the Bouvelard of the Allies in downtown Pittsburgh. The timing of the two events, while coincidental, was symbolic.

The new building had automatic elevators, and an odd exterior. Criss-crossing steel beams formed diamond-shaped windows from top to bottom, resembling a diagram of interlacing genes in a chromosome. One couldn't look at it too long without blinking away the diamond patterns. It was in Gateway Center, where office buildings stood around a pedestrian plaza and tree-shaded walkways led into the neat lawns of Point State Park.

From his window, McBride had an unobstructed view of the park and its centerpiece, a fountain which in the summertime spouted a fifty-foot geyser of water. On the left, a steep bluff known as Mt. Washington towered five hundred feet over the south shore of the Monongahela, its brow crowned by old frame houses and high-rise apartment buildings. Below the ridge, McBride could see the gold-painted superstructure of