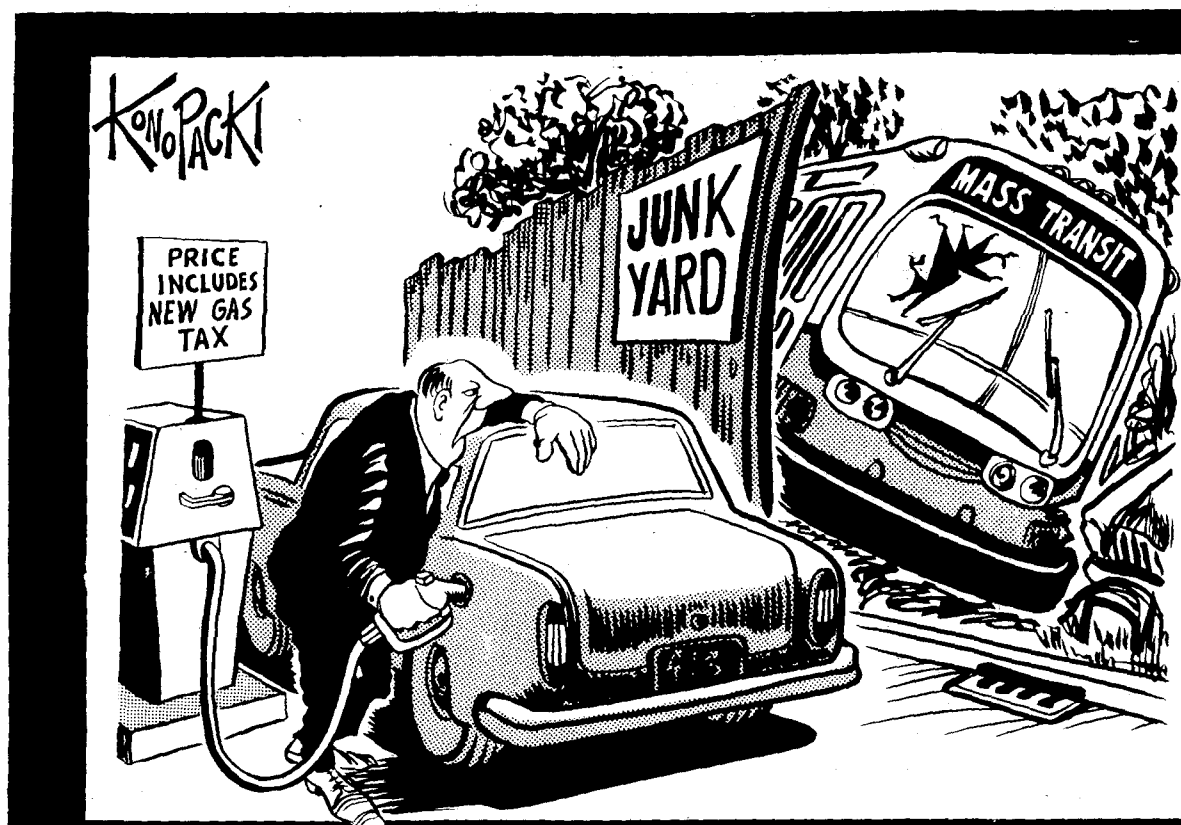


## ENERGY



## Crisis not of energy but politics

On April 20 President Carter unveiled his energy policy. Claiming that the age of cheap energy is over and that the energy crisis is the greatest crisis to face the country since war, the president called on the nation to show moral integrity and make sacrifices (IN THESE TIMES, April 27-May 3).

In the following interview, conducted by Liberation News Service in New York, Robert Engler—author of *The Politics of Oil* and a new book, *The Brotherhood of Oil: Energy Policy and the Public Interest*—analyzes the impact of Carter's program.

**Q: What are your general feelings about the Carter energy proposal?**

**A:** I welcome the Carter administration's invitation to a national debate over energy policy, its emphasis on conservation as opposed to giant crash programs for new energy development, and its stated concern about a just distribution of resources and sacrifices.

However, my major criticism of the Carter proposal is that while it appears to be comprehensive, and it takes in plenty, there is no plan that looks at the way this society overall uses energy, the way it allocates capital investment.

It surrenders completely on the issue of price; it surrenders on what I think is a pop line, to say that the age of cheap energy is over. You really have to make distinctions.

There may be areas of economic life where you want to encourage development through cheap energy. For example, whatever the faults of the Tennessee Valley Authority were, the idea of cheap energy to help a depressed area grow was a valuable idea.

Now there would also be other areas where you want to discourage energy—not just gas guzzling cars, but maybe much of the automobile industry. Or much of industrial use. By and large there's a heavy amount of our industrial apparatus which is based upon extraordinary waste, whose only justification is profit. And the energy industry itself is the principal user of natural gas.

**And the Carter plan does not address that waste at all?**

It addresses it tangentially, but unless they really tackle the problems of reshaping the investment patterns of this society—which means challenging the heart of private ownership of resources—I don't think they can get very far.

I suspect the energy industry and much other of the corporate world could live with a hell of a lot of what Carter now proposes. There will be a lot of publicity expressed anguish. But it remains to be seen what really is so fundamentally threatening.

**So what do you think an energy policy must do to address the corporate control**

**of resources you're talking about?**

A starting point should say that private ownership of natural resources is inappropriate. Now, public ownership would not solve problems automatically. You could have the same incompetence, the same vested interests, or whatever. But I don't think you're able to deal with these things anymore by assuming you can persuade private forces to act in the public interest, or that you can sufficiently use the tax power.

I'm convinced that a major fight ought to be made to say that resources ought to be publicly developed and allocated.

**Why does our society waste so much energy?**

There's been a glib assumption, fostered by the energy industry, that high energy consumption is consistent with high level of living. And it's not necessarily true. There are countries that have standards of living as high as the U.S., but with maybe 50 percent of the energy consumption per person. We have an extraordinarily wasteful economy.

**What kind of waste are you referring to? And how could we have a similar standard of living without so much energy waste?**

Well, that brings up one of the criticisms some people are making of the Carter proposal—that there's no real aid for mass transit. If you take major American cities, there's extraordinary waste because of inadequate mass transit.

The great national highway system, which was the greatest public works project in American history outside of war, pumped about \$60 billion into highway building. And in retrospect one could ask how much of that might better have been used for other kinds of development. So that's one kind of waste.

Barry Commoner points out another kind of waste. He shows how decisions, let's say by canning companies, to shift from tin plated to aluminum cans, increases the energy used in the production of these cans several fold. The decision, from the corporate perspective, serves their ends. They make more profit.

Or another example is the shift from natural soaps to detergents, so that now it's pretty hard to go into a supermarket and find a soapflake. That's a profit-based decision that has energy consequences.

**Are Carter's proposals going to address any of that?**

The appeal to the American people to conserve, to sacrifice, is very noble. But I think if people are going to sacrifice or conserve they have got to have a real genuine feeling that they're in control of the situation about which they're going to make sacrifices.

Also, these sacrifices are going to have to be just. There's endless emphasis on this in Carter's messages, but it's not

clear to me that if you require a man who drives a huge car to pay more for it, that that's really a penalty. So he just adds it to the cost of doing business.

On the other hand, there are people I know in rural Massachusetts who if fuel prices go up and they don't get it back through one of these so-called rebate plans they're already so close to the margin of survival that they're really going to be hit hard.

**Carter has said that he doesn't think it's necessary to break up the oil companies, that antitrust mechanisms are sufficient. What do you think? Is there any evidence that points in that direction?**

No, there's not. Carter is not really challenging the control of the oil companies. He's scolding them occasionally, and they're trotting out and saying, some of them, "this is pretty bad, he doesn't understand the real problems." But I wonder if we're not getting put on a bit.

The antitrust record suggests that in order to work, antitrust requires the absence of corporate power. It's never really worked because of the political power that spills over from this concentrated economic power.

I'm reasonably convinced—and I say this not out of glibness—that given the range and the power of the energy industry, its increasing takeover of all competing energy resources, its extraordinary drain of capital (maybe one-fifth of all capital investment in the U.S. is in the energy industry) and its corrosion of the whole political process—given all this, antitrust mechanisms are not enough.

For example, during the Watergate investigation, people wondered why, with all the televised drama, did the Ervin/Watergate committee appear rather shy about pursuing certain questions of corporate involvement and corruption. Well, every single member of the Senate Watergate committee, except chairman Ervin himself, was a recipient of oil company funds for his campaign.

What I'm saying is that the whole process is corrupted—whether one looks at the way the industry sets the definition for energy "reserves" or their massive assault on public opinion.

For example, during the energy crisis, the U.S. government relied on the industry to conduct most of its negotiations to allocate the oil supply. They relied on the industry to deal with negotiations with Saudi Arabia, with Iran and so forth. The State department said, "We have no judgment that would supersede theirs, we don't know what to say about price; they have the competence."

**The other proposal made to solve the energy crisis is some kind of national planning. But wouldn't national planning also be used to solve corporate interests?**

You're quite right. National planning, with the present rhetoric could just be

corporate leadership. In fact, it is conceivable that a fair amount of corporate perspective will increasingly welcome national planning. I'll give you an example:

Until recently, if you talked about national land-use planning, you were labeled as someone dangerous. But in relatively recent years you're getting, among others, corporate interests calling for national land-use planning, moderately.

Now, they're not asking to become accessories to their own socialization. What they're fearful of is that people, say in Santa Barbara or Nassau and Suffolk counties, won't think of the larger national interest when the companies come along and want to put in giant tanker terminals, pipeline setups, refineries. So national land-use planning would protect them from regional and local ecological movements.

So I could see national planning mechanisms furthering what radicals in the '60s called the corporate state. We should not say "No" to planning—I see no out for planning given a technological society—but keep such controls accountable to people in different parts of the country and the world.

The energy industry is betting that as long as we can drive and have all of the equivalent comforts, we won't give a damn about questions of control.

**But it seems that increasingly in the U.S. this is no longer the case. For example, those people you were talking about in western Massachusetts won't be getting all those "comforts."**

The question is, how do you translate it into some political reality. In my last book I describe in brief all kinds of experiments around the country where people in communities and states and regions are trying to exercise some kind of control over the coal in their region, the way it is mined and so forth.

Then there are places where people have fought for public ownership of resources in regions. And there are communities that have taken the lead in solar energy, garbage conversion and so forth. So there are hundreds of experiments—technological, political and economic.

My argument is essentially that the crisis is not of energy but of politics. The crisis isn't that we're running out of energy right now.

**What do you mean?**

What I mean is that ours is a system that has allowed all these critical decisions to be made privately. And the argument's always been that's the most efficient, it serves us best and it eliminates government bureaucracy, tyranny, waste, etc.

I think this has to be challenged. There must be a willingness to say, "Damn it, we ought to have an energy policy which is ecologically sane, politically accountable, and economically just."



## LABOR

## Declining influence of building trades

By Dan Marshall  
Staff Writer

After a century of dominating the policies of organized labor, the construction unions may be waning in power and influence. Knowledgeable observers close to the labor movement point to the defeat of common site picketing, the first piece of labor legislation to be pushed by the AFL-CIO in the new Congress, as the most recent in a series of blows against the interests of the building trades.

Common site picketing, which would have allowed a construction union to picket an entire building site in a dispute with only one contractor on the site, was defeated in the House on March 23 by a close 205-217 vote. Media commentators and some legislators have interpreted the defeat as a decisive setback for all of organized labor.

"Certainly it was not a defeat for the labor movement as a whole," says one high-level union source. "Common site picketing is a phony issue for everybody except some fat cats in the building trades. It was a defeat for the old, tired, white, right wing remnants of the labor movement. But the building trades are a smaller and smaller part of the economy—they just don't count as much anymore."

Indeed, the power of the construction unions has significantly declined in the last decade because of economic, technological and political factors.

#### ► Resisted trade unionism all along.

The construction unions—plumbers, iron workers, painters, carpenters, etc.—are among the oldest in organized labor. Principal organizers of the American Federation of Labor in 1881, they fought moves toward industrial (as opposed to craft) unionism for decades.

Even after unions like the United Mine Workers and the Amalgamated Clothing Workers had broken away to form the Congress of Industrial Organizations in 1935, and after other AFL unions like the Teamsters had begun to organize unskilled workers, the construction unions remained predominantly craft organizations, encompassing a single trade and tightly controlling entry into the field through apprenticeship programs.

After the departure of the industrial unions to the CIO, the construction unions came to further dominate the AFL. Even the merger of the AFL and CIO in 1955 did little to offset their power. The influence of the industrial unions in the merged federation was slowly undercut by AFL-CIO president George Meany, a plumber from the Bronx.

The seven construction union leaders who now sit as vice-presidents on the AFL-CIO Executive Council represent unions with a combined total of some three million workers, about 14 percent of the AFL-CIO's total membership. With the backing of Meany and Secretary-Treasurer Lane Kirkland, however, they hold 26 percent of the votes on the council and wield a disproportionate influence on AFL-CIO policies.

#### ► A boom in the '60s.

The construction industry thrived during the booming economy of the 1960s. As demand for residential housing, highways and buildings increased, the number of jobs available to construction workers rose some 15 percent. Since the union's apprenticeship system restricted the amount of trained workers—and ensured their employment through the union hiring hall—workers' wages rose about 50 percent during the decade. In 1970, for example, first year wage increases averaged 19.6 percent, compared to 9.9 percent for manufacturing jobs.

As wages jumped, so did construction strikes. The industry employs about four percent of the civilian labor force, but it accounted for almost 17 percent of all striking workers from 1962-71. Close to



## A series of economic, technological and political blows have sent the construction unions reeling, throwing into question their continued dominance of the AFL-CIO.

one in every five strikes during this period took place in the construction industry.

#### ► Industry and government counterattack.

Beginning in 1968 industry and government officials counterattacked. The "collective economic power" of the building trades "is perhaps the single most important direct contribution to the current wage-price spiral," complained *Fortune* in December 1968.

Industry productivity was failing to keep pace with wage increase, construction union critics charged, because union work rules increased labor costs and often barred the introduction of prefabrication and other modernizing techniques.

The underlying problems, according to *Fortune*, were government inaction and the fragmented structure of collective bargaining in the industry. The federal government could and should play a decisive role in holding down costs because it is the country's single largest builder. (About one-third of all new construction is publicly-financed.)

According to the critics, the nation's 870,000 contractors were virtually powerless against unions because they often bargained separately and were reluctant to endure long strikes that would delay completion of the project.

The solution: a "strong stand" by government to hold down costs (i.e. labor costs) and a streamlining of bargaining procedures in the industry. After an unprecedented number of local construction strikes and high wage settlements in 1970, the Nixon administration swung into action.

In February 1971 Nixon suspended the provisions of the Davis-Bacon Act that required contractors to pay union wages on federally-financed jobs. While his executive order was temporary, it invited non-union contractors to bid on government jobs and pay less than union scale. The open shop movement in construction, which had previously been concentrated among small contractors, got a big boost.

#### ► Increasing national power.

Nixon also created the Construction In-

dustrial Stabilization Committee (CISC), headed by John Dunlop, as a "cooperative mechanism for the stabilization of wages and prices."

This 12-person, tripartite (labor, contractors, public) body was empowered to review all collective bargaining agreements to insure that they did not exceed average wage settlements in the 1961-68 base period.

National construction union leaders viewed CISC as a way to strengthen their own inter-union power. As the *Wall Street Journal* later commented, "the committee's real appeal to the construction union presidents who sit on it has been the clout it has given them over many of their traditionally independent and sometimes rebellious locals."

By 1973, cooperation between national union officers and contractor representatives on the CISC had held average wage boosts to 5.8 percent and had cut the number of strikes to half of 1972.

#### ► Aiding open shop.

While national union leaders chatted with John Dunlop, some of their locals were grumbling. When the Operating Engineers in Chicago negotiated one contract, the CISC took away part of the wage increase, despite the fact the contractors had already bid some jobs on the basis of the negotiated wages.

"When the federal government took it away, who got the money?" asks William Martin, head of Local 150 of the International Union of Operating Engineers. "The employers made some bucks on the back of my people. But nothing was ever done about it. Nixon's wage stabilization was one of the biggest frauds perpetuated on the American people. The industry made hundreds of millions in windfall profits."

Martin believes that the CISC contributed to the growth of the open shop, though it was not the determining factor. As unions gradually lost the power to conduct strikes, fight for inflation-catching wage hikes and defend the union hiring hall, open shop contractors moved in, mainly from the South, and bid jobs at lower wage rates and fewer fringe benefits. "So the union contractor would either go

double-breasted—form another company while holding his union firm—or he would lose work," Martin says.

In this atmosphere, open shop contractors made big gains. While the construction industry expanded overall in the early '70s, the number of union jobs dropped. Non-union contractors, who accounted for 20 percent of all construction work in 1969, now handle more than 50 percent.

#### ► Technology took jobs.

Technological innovations also led to a decrease in union jobs. Prefinished wall partitions, for example, which are light and easy to rearrange, cut out work for carpenters and painters. Wiring behind open-hung ceilings cut the work of skilled electricians. As a result contractors are increasingly able to use unskilled, non-union labor to handle these simplified tasks.

The construction unions were also battered by the economic recession. Building and housing construction dropped from 1974-76, and is only now beginning to pick up again. In January 1977 the AFL-CIO's Building and Construction Trades Department reported a 27 percent national unemployment rate among construction workers. In New York City alone, 67 percent of these workers are without jobs. Thousands of union workers lost their jobs and many have put their union cards aside to seek non-union employment.

#### ► A management year.

This series of economic and technological blows—open shop contractors, modernized building processes, and massive unemployment—sent the construction unions reeling. In city after city, they have been forced to accept wage cuts, no strike agreements and cuts in work rules.

"It's a management year, for the first time in many a moon," a real estate professor told *Industry Week* in 1976. "It appears that the many construction workers who were out of work for so long are now appreciative of simply having work."

In Rochester, N.Y., for example, 11 construction unions agreed to delay wage increases for two years or until the project is completed. In Washington, D.C., the Hyman Construction Co. reportedly threatened to use non-union labor on a redevelopment project unless unions accepted a "project agreement" that cuts overtime pay, alters work rules and includes an eight-year no strike provision.

At the national level union leaders have reached an agreement with the federal government to rehabilitate low-income housing in some cities at wage rates reduced by 25 percent. They are now negotiating "across the trades" agreements that would standardize work rules for particular trades.

#### ► Alliance with Republicans.

Through these cutbacks in wages and working conditions, construction union leaders hope to make union labor competitive with open shop contractors.

At the same time national union leaders have moved politically to concentrate more power in their own hands through restructuring collective bargaining, an attempt that has often brought them into alliance with the Republican party.

In 1970 Nixon sought to undercut labor's traditional support of Democrats by bringing Meany and the building trades into the "emerging Republican majority." After Meany had supported the Cambodia invasion and hard hat workers had beat up anti-war demonstrators in New York City, Nixon invited union leaders to the White House. Peter Brennan, head of the city's construction trades council, presented the president with a honorary hard hat.

(Continued on page 6.)