

# NEWS & VIEWS



## LEHIGH VALLEY LABOR COUNCIL, AFL-CIO "UNIONS JOINING TOGETHER AS ONE"

January 2024

www.lehighvalleyclc.org



### Re-elect US Sen. Bob Casey

### Pennsylvania's unions endorse Casey for 2024 Election

by the Pennsylvania AFL-CIO



n behalf of 700,000 working men and women in Pennsylvania, represented by 51 International Unions and 1,422 Locals, the Pennsylvania AFL-CIO Executive Council endorsed Bob Casey for U.S. Senate

Sen. Bob Casey on December 15.

"Since his election to the Senate in 2006, Bob Casey has shown he is committed to the well-being of Pennsylvania's workers and families," said Angela Ferritto, President, PA AFL-CIO. "He has worked to create family-sustaining jobs and safeguard the rights of workers. He has consistently demonstrated that he cares about the Angela Ferritto issues our members care about - better pay



and benefits, secure retirements, gender equality, workplace health and safety, high quality public education, and civil rights, among others.

"Senator Casey's record speaks for itself. On behalf of union families, I encourage all Pennsylvanians to speak up, show up, and support his candidacy."

Senator Casey has consistently voted for legislation that protects working people. He supported legislation to expand apprenticeship programs, provide paid sick days for railroad employees, and secure marriage equality. In 2023, he introduced two bills to establish a fair tax code for workers and crack down on anti-union practices. His Tax Fairness for Workers Act was designed to allow workers to deduct travel costs, uniform costs, and other business expenses, including union dues, in the same way other employees deduct these expenses.



Casey also introduced the No Tax Breaks for Union Busting Act in 2023. The legislation was designed to prevent anti-union practices by prohibiting corporations from deducting union-busting expenses from taxes. In many cases, attempts by workers to form unions and fight for their rights are thwarted by million-dollar campaigns funded by taxpayers. The tax code rewards corporations for union

George Piasecki

busting by allowing them to write these efforts off.

"Senator Casey has fought against large corporations and defended the rights of working people across the common-

wealth," said George Piasecki, Secretary -Treasurer of the Pennsylvania AFL-CIO. "He understands that by strengthening workers' rights, we can create an economy that benefits all Pennsylvania residents. The PA AFL-CIO is proud to support Bob Casey because we know he will advocate and fight on behalf of our members."

Sen. Casev's voting record on issues since 2006. (Credit: AFL-CIO)



Even the Grinch received warm hugs from Roosevelt School students on December 15.

### Lehigh Valley Labor Council AFL-CIO www.lehighvalleyclc.org Phone 610-366-1358

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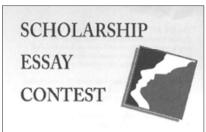
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APWU #268 Ron Ennis John Weiss SEIU #668

# Penna. AFL-CIO Scholarship Deadline for essay is March 28

by the Pennsylvania AFL-CIO

The Pennsylvania AFL-CIO Scholarship Essay Contest is a chance for students to learn more about the importance of Organized Labor in Amer-



ica. Over the years, we have awarded tens of thousands of dollars to students furthering their education.

Scholarships are available exclusively to Pennsylvania AFL-CIO affiliated union members and their families. They are offered to students in two categories: graduating high school seniors (Class of 2024) and all post-secondary students. Students in each category must address their respective topic in a submitted essay. The essay's title must include the category for which you are applying. Each entry must be a typed document of at least 1,500-words, neatly prepared and formatted as a PDF file. Application form must be included in your essay PDF file, or as a separate PDF attachment. The entry deadline is March 29, 2024. Send to: percapita@paaflcio.org

A first, second and third place scholarship will be awarded in each category. First place will receive a \$2,000 scholarship, second place a \$1,500 scholarship and third place a \$1,000 scholarship.

Unions have helped people gain economic security through good wages, strong benefits, and fairness in the workplace. The benefits of union membership are particularly important for those working to provide a better life for their families in a post-COVID world.

Category 1 includes graduating high school seniors (Class of 2024). The essay topic:

What has COVID revealed about the division of labor in our country and what we constitute as essential workers?

Category 2 includes all post-secondary students. The essay topic:

How would a \$15 minimum wage impact different parts of our economy? You may consider the impact on low-wage workers, on families, on small businesses, on large corporations, and on the government.

Essays less than 1,500 word will be disqualified. Essays will be judged in April and awards will be announced in May 2023.

For an application form, visit www.paaflcio.org. For more information contact Monica Virgilio at 717-231-2853 or e -mail at percapita@paaflcio.org.

The Lehigh Valley Labor Council is a sponsor of the scholarship program. If your union affiliate would like to join the labor council and dozens of other labor organizations as a sponsor of the scholarship program, please make your check payable to the Pennsylvania AFL-CIO and mail it to: Penna. AFL-CIO, Attn: Secretary-Treasurer George Piasecki, 600 North Second Street, Harrisburg, PA 17101.



**Union workers began loading toys i**nto trailers at the United Autoworkers #677 Hall, Allentown on December 15. The union hall served as a staging site for toy donations for students at Roosevelt Elementary School, 210 West Susquehanna St., Allentown.

Refused to Take Other Men's Jabe. The men brought to town by Supt. F. B. Aldricks from Chicago and Western Pennsylvania to take the places of the discharged employes of the Wyandotte Gas Company desire it stated that they did not do as reported in a local paper. When the strangers learned that they were to places of fellow-workmen they refused to work. The trouble between the Gas Company and its old employes has been adjusted satisfactorily. Four of the new men have secured situations at the Bethlehem Steel Works while two of them were retained by the Gas Company.

Never cross a picket line, ca. 1902. When the Wyandotte Gas Co. imported strikebreakers to replace striking workers, the new arrivals refused to work, forcing the company to reach a settlement with its strikers. The AFL-CIO reminds everyone to never cross a picket line. "Inspiring acts of mass solidarity show us what can happen when workers come together to demand fair conditions and an end to the oppression of themselves and others. Always remember to stand with striking workers, amplify their demands, donate to strike funds when you can, and never cross a picket line. (Credit: Bethlehem Globe, February 13, 1902)

### How Eugene Grace disrupted New York's real estate market

The Lockwood Committee investigated the Bethlehem Steel president in 1920

by Ron Ennis, Editor Lehigh Valley Labor Council

ith inflation increasing and interest rates climbing, the construction industry faced a severe downturn beginning in 1919.

The crisis had grown especially acute in New York City and Philadelphia when two of the nation's leading steel executives refused selling badly needed products for commercial and residential building projects. Bethlehem Steel's Charles M. Schwab and Eugene G. Grace withheld the company's wideflanged beams from unionized construction firms.

Schwab and Grace's order fueled price increases for real estate development in New York City and Philadelphia, the first and third most populated cities in America at the time. Their draconian edict worsened both cities' housing shortages in the years following the First World War. The crisis led to the establishment of New York State's Lockwood Committee to probe actions taken by Schwab, Grace and others that distorted the free market system, harmed major building firms, and sent commercial and residential construction costs soaring. The state panel uncovered how big business perverted the so-called free market system. (*Fig. #1*)



**Fig. 1**: Louis Horowitz, president of the Starrett Construction Co., revealed to the Lockwood Committee's Samuel Untermyer that Bethlehem Steel officials withheld steel shipments for badly needed housing projects because his firm employed unionized labor. Although not illegal, the practice choked off the steel supply, leading to higher building costs. (*Credit*: Allentown Morning Call, December 15, 1920)







**Fig. 2**: Samuel Untermyer (*left to right*), Joseph Horowitz and Eugene G. Grace. (*Credit*: Wikimedia Commons: Australia's Building Magazine, September 11, 1920; and New York Public Library Digital Collections)

A century later, business executives continue to rig the economy in their favor. For example, from July 2020 through July 2022, inflation rose by fourteen percent, but corporate profits rose during the same period by seventy-five percent. Noel Wallace, Colgate-Palmolive's CEO, revealed in 2022 that his company's price increases fueled its gross margins. He later boasted that his company's competitors began "to follow" with their own price hikes. A recent report by US Sen. Bob Casey, entitled Greedflation: How Corporations are making Record Profits on the Backs of American Families, highlighted how corporate decision-making harmed consumers. "Corporations are using inflation as a cover to raise prices," wrote Casey, "while raking in record profits at the expense of . . . middleclass families. . ." The Lockwood Committee reached a similar conclusion of corporate price gouging, but with a twist. Committee members learned that the steel chiefs opposed unions in the construction industry, not to boost profits, but to maintain a union-free grip in their own shops. "Some means must be found," wrote The New York Times editors on December 18, 1920, "by which the captains of our basic industries may continue . . . without resort to measures that are at best unworthy and that tend to oppression."

In 1919, the New York legislature appointed Sen. Charles Clapp Lockwood, a rising reformer in the Republican Party, to chair the state's Joint Legislative Committee on Housing, followed by the appointment of Samuel Untermyer, a life-long Democrat and consumer rights attorney, to lead the committee's legal team. Known as the Lockwood Committee, the panel investigated the growing housing shortage that emerged during the First World War and soon uncovered disruptions at every level of the housing industry. According to historian Robert M. Fogelson, the committee learned that 14,000 apartment units were built in New York City in 1917, but builders erected only 1,600 units in 1919, the fewest in twenty years despite surging population growth. "Despite the falling off of immigration during the war," wrote the New York Telegram, "there never has been a time, perhaps, in the history of New York when rooms, apartments and houses were so scarce." (Fig. #2)

Several factors sparked a downturn in residential real estate, explained Fogelson. Wages among New York City's carpenters, bricklayers and painters jumped between 1913 and 1918 in response to labor shortages prompted by the war. "As a result, the cost of construction rose roughly fifty percent," wrote Fogelson. He added that savings banks and other financial institutions presented "an even greater obstacle to residential construction." Many bankers invested their banks' money in Liberty Bonds yielding tax-exempt rates between five and six percent, and steered clear of residential mortgage investments that paid only three percent after federal and state taxes.

Their decision to seek higher investment returns left little money for loans to home and apartment builders.

Finally, price hikes in building materials represented a third cause of higher housing and apartment construction costs. Price increases in structure steel, which formed the iron skeletons of high-rise buildings, caught the attention of the Lockwood Committee in late 1920. Louis Horowitz, one of the largest building contractors in America, testified to Atty. Untermyer that Bethlehem Steel and other steel companies refused to sell their wide-flanged beams to contractors employing unionized workers. According to the December 9, 1920 *New York Times*, the president of the Starrett Company explained that the nation's biggest steel companies "had an arrangement" to sell only to contractors who hired non-union laborers. Contractors who employed unionized craftsmen, as Horowitz did, were barred from receiving steel shipments. (*Fig. #3*)

This anti-union stance threatened his business, Horowitz warned Untermyer in later testimony, and "imposed an added burden of from twenty-five percent to thirty-five percent" on construction costs. He described his unionized workers as very efficient, and predicted that the steel chief's union policy in New York City and Philadelphia represented the "opening wedge" to bankrupt unionized construction firms across the country. Horowitz's testimony, wrote *The New York Times* editors, "served to show how organized capital was being used to add to the high cost of construction."

On December 15, Bethlehem Steel President Eugene Grace appeared before the Lockwood Committee in New York's City Hall after the company's chairman, Charles Schwab, declined Untermyer's invitation to testify. Schwab assured the attorney that Grace "will gladly give any information bearing on the subject of the inquiry (and) is so much more familiar with the details of the company's business than I." Reading Grace's hour-long testimony printed in *The New York Times* the following day suggests the company president had neither the desire to "gladly give information" nor interest in

## SAY STEEL MAKERS ADDED TO BURDENS OF BUILDING HERE

Contractors Testify to Tremendous Cost Imposed by Fabricators' Anti-Union Policy.

### PASSED ON TO THE TENANTS

United States and Bethlehem Corporations Refused to Sell Direct to Builders.

### WORK GIVEN TO IRON LEAGUE

Appeals to C. M. Schwab Vain, Starrett and Horowitz Tell Lockwood Committee.

Representatives of some of the most prominent construction concerns in the country, testifying yesterday before the Lockwood committee, declared that the tremendous burdens added to the cost of

Fig. 3: Several factors led to rising housing and apartment costs in New York City and Philadelphia after the First World War. Bethlehem Steel President Eugene Grace admitted to the Lockwood Committee's Samuel Untermyer that he withheld shipments of his company's wide-flanged beams contractors employing unionized construction workers, and added that he "would recommend to my associates" that they do the same." (Credit: New York Times, December 15, 1920)

# GRACE ADMITS STEEL IS WITHHELD FROM 'CLOSED SHOP' FIRMS

### Bethlehem's Attitude to Unions Revealed

Eugene G. Grace, president of the Bethlehem Steel Corporation, testifying in New York yesterday before the "building trust" investigation committee, declared that his concern would not sell steel to "closed shop" builders.

He declared that by this means was the Bethlehem Steel fight on union labor waged.

It would not affect his attitude a bit if this policy forced building operations to close, he declared.

This fight is only conducted in Philadelphia and New York at present, he said, but its application throughout the country will only be governed by the effect it might have on labor in general.

Mr. Grace repeatedly irritated the committee's attorney by alleged "fencing" in the giving of his testimony.

Is Our Method of Fighting Union Domination of Labor, Says Bethlehem Corporation Head

Will Not Change Stand Even It Building Operations Fail; Rouses Attorney's Ire by "Fencing"

NEW YORK, Dec. 15.—The Bethlehem Steel Corporation will refuse to sell fabricated steel to builders and contractors in the New York and Philadelphia districts to be erected on a union shop basis.

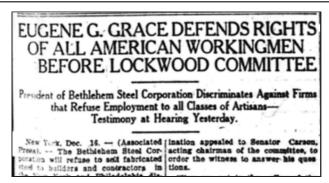
This policy was disclosed by Eugene G. Grace, president of the corporation, who testified today before the Joint Legislative Committee investigating the alleged "building trust," replying to

**Fig. 4:** Bethlehem Steel President Eugene G. Grace admitted he had refused selling steel to unionized contractors and said he would maintain his policy even if it "forced building operations to close." At the time, a "closed shop" represented a unionized shop. *The Philadelphia Inquirer* editors described the country's housing shortage as "a menace to the health and morals of the nation" and urged Congress to pass legislation spurring home and apartment construction. (*Credit*: Philadelphia Inquirer, December 16, 1920)

revealing "the details of the company's business." Grace's reaction may have surprised no one as he had sparred before with Untermyer.

During the nationwide 1919 Steel Strike, Untermyer wrote to Grace in disbelief that he had ignored "some way of averting this strike" at the South Bethlehem plant. He believed that "labor's right to collective bargaining through its own agencies can no longer be successfully denied" and that Grace's anti-union position was "simply adding fuel to the fire." Untermyer had even sparred with Charles Schwab years earlier. In 1903, he exposed in a court trial Schwab's involvement of Bethlehem Steel in the US Shipbuilding scandal. Described by the press at the time as an "artistic swindle," the scandal tarnished Schwab's reputation. Ironically, Untermyer invested in Bethlehem Steel stock soon after the corporate trials ended, and by 1919 held company shares worth \$5 million. The spectacle of the Lockwood Committee's top lawyer, credited with being one of Bethlehem Steel's largest shareholders, interrogating the president of the company, "drew a great crowd which filled the aldermanic chamber," wrote The New York Times.

"Audible comments" from the courtroom's spectators greeted Grace as he approached the witness stand. Reportedly the highest-paid executive in the world whose annual salary and bonus topped \$1 million, the crowd "saw (a) steel magnate



**Fig. 5:** The Bethlehem Globe, a staunch ally of Bethlehem Steel's chiefs, gave an account defending Eugene Grace's actions. (*Credit*: Bethlehem Globe, December 16, 1920)

who did not look his thirty-eight years." In contrast, the mustached Untermyer was almost twenty-five years his senior and worked pro bono for the Lockwood Committee.

Throughout the hearing, Untermyer vigorously cross-examined Grace, while the steel boss tried to evade the litigator's queries. "You will answer the question," declared the attorney at one point early in the hearing. "You are not in the office of the Bethlehem Steel Corporation. You are before a legislative committee." (Fig. #5)

Grace admitted he had refused selling steel to Horowitz because the contractor employed union labor. Untermyer asked if Grace tried to dictate who contractors hired. "I don't know what you mean?" replied the steel chief.

"I think you know what I want to know, and I think I am going to find out," said the determined public advocate. He repeated the question, but again Grace refused a direct response, arguing that he objected to the word "dictate."

"Keep dodging, but you will answer the question when you get through," pressed Untermyer again. The courtroom crowd "applauded the thrust and parry" of the two principals, reported *The New York Times*, which culminated in Grace's confession that he had indeed dictated that only non-union contractors would receive shipments from Bethlehem Steel.

Untermyer then asked Grace if he knew whether union workers refused to handle Bethlehem Steel's beams because Grace ran a non-union mill. "It may have happened," replied the steel boss.

"Tell us if you know of any case in which it has happened?"

"No," answered Grace. However, "I should expect it would happen."

"I don't care about your expectations," snapped Untermyer.
"That fact is that no such thing has ever happened." Union contractors accepted Grace's non-union beams in construction projects, but Grace refused selling his company's beams to unionized contractors.

Untermyer continued a "rapid fire of queries," asking Grace later in the hearing if he believed in collective bargaining. Grace froze, then "mopped his face with his handkerchief."

"What is the matter? Why do you not answer?"

Grace replied that he had "never liked the term collective bargaining." When Untermyer asked if he knew what collective bargaining meant, Grace said he did not. If you don't know what it means, "why don't you like it?" asked the irritated attorney.

"Because I don't know what it means," repeated Grace.

Untermyer found the steel boss's reply implausible. The corporate chief had worked in the industry for over twenty years, ran the second largest steel manufacturer in the nation, faced three union organizing campaigns, and now claimed he had no idea what collective bargaining meant.

As the hearing came to a close, Grace stated he would deny steel shipments to union contractors even if it stopped all construction in New York City. If it meant keeping out union labor, "that is what I would recommend to my associates," he said. And "if ninety-five percent of your men (at Bethlehem Steel) belonged to a union, you would not recognize them as union men or as members of a union," asked Untermyer.

"Not as union men or as members of a union," replied Grace. "We would recognize them as employees."

As a long-time Bethlehem Steel investor, Untermyer undoubtedly knew Grace's position on workers' rights. The Lockwood Committee hearing gave him an opportunity to expose the steel boss's radical opposition toward a unionized workforce. A lack of homes for people meant less to Grace than the threat of workers wanting a union. "Officials of these corporations," concluded the committee's 1922 report, "openly claimed on the witness stand that this interference with union labor in New York City was a necessary move on their part to prevent union conditions in their shops." There is nothing new about companies boosting profits on the backs of consumers, but Grace's testimony revealed another motivation for meddling in the so-called free market economy: busting unions.

The Lockwood Committee's investigation ended in 1923. While Bethlehem Steel's practices were not illegal at the time, the panel's findings led to the indictment of over 400 union members and contractors and 250 corporations involved in price -fixing schemes that resulted in jail sentences and the payment of over \$500,000 in fines. And its recommendations resulted in the enactment of legislation diminishing rent hikes and spurring home construction.



The Pennsylvania Apprentice Coordinators Association (PACA) was created to promote and improve Registered Apprenticeship programs throughout the state for the construction industry. Apprenticeships are high-quality career pathway programs that allows men and women to earn while they learn. Once an individual completes an apprenticeship, they are equipped with the skills needed to work a well-paying, family sustaining job. Learn more about the Registered Apprenticeship Programs at: https://apprentice.org/trades/

### Don't be fooled

## Beware of candidates claiming to be worker-friendly during election season

by Ron Ennis, Editor Lehigh Valley Labor Council

The 2024 Election is eleven months away and already some politicians running for re-election claim to be worker-friendly.

You know who they are. You only see them during the campaign season. Maybe they pop up at a rally, describing how they feel your pain trying to make ends meet. Or perhaps they support some trifling measure in the legislature, thinking the table scraps they toss your way will satisfy you. Like the "sunshine soldier and summer time patriot" described by American Revolutionary author Thomas Paine, they are the politicians who give you their vote when it is convenient, easy or bolsters their re-election prospects.

Union voters know their true allies in Washington, D.C. and Harrisburg. For example, US Rep. Susan Wild has stood with workers and challenged corporate lobbyists in Congress since her election in 2018. In a recent House Education and Workforce Subcommittee hearing, Wild refuted the testimony of Mark Mix, President of the National Right to Work Committee, who claimed that union



US Rep. Susan Wild

contracts often harm employee interests. Wild replied that in the Lehigh Valley "we know that strong unions are the key to a strong economy where people can work hard and get ahead and can support their families."

And US Rep. Wild has a labor voting record unsurpassed by any of her predecessors in at least fifty years. According to the AFL-CIO voting scorecard, her legislative support for workers since she came into office is ninety-nine percent.

Union voters need to remember who their allies are in 2024 and beware of those candidates claiming to be friends of working families.





**Children stood outside Roosevelt Elementary School** waiting for Santa's arrival while cartoon characters entertained the crowd at the LV Labor Council's community project.



**United Autoworkers #677 officers** stood in front of their trailer full of donated toys for Roosevelt Elementary School on December 15. The local staged the toy drive at their union hall, 2101 Mack Blvd., Allentown. Many thanks to union members, labor affiliates and community partners for again making the toy drive a success.

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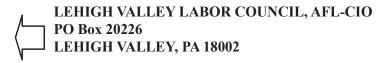
"The smaller newspapers of the country will shortly awake to a realization of their power and put an end to conditions whereby they are being driven out of business.

"Something like sixty newspapers in the country consume seventy-five percent of all the newsprint paper used in this country. About twenty-five thousand papers consume the balance. The sixty papers, published in about a score of large cities, influence the election of but a handful of Congressmen and Senators compared with the mass whose election is influenced by the 25,000 small papers. . . .

"It is not a pleasant thing to be considering curtailment of any one's legitimate business, but it appears that unless conditions change very radically that in self-defense the smaller publishers will have to organize and fight those conditions by which they are slowly and relentlessly being ground to pieces."

Allentown Morning Call editorial, April 26, 1920, describing the harm caused by corporate consolidation in the news industry to democracy.

MediaNew Group, a cost-cutting newspaper chain owned by hedge fund Alden Global Capital, announced this past August that it had bought *The Scranton Times-Tribune, The Wilkes -Barre Citizens' Voice, The Hazleton Standard-Speaker* and *The Pottsville Republican Herald.* Soon afterward, Alden ended the employment of roughly one-quarter of the Times-Tribune staff, sold the newsrooms of the other three newspapers, forced remaining employees to work remotely, and outsourced some customer service to a call center in the Philippines. According to the December 14, 2023 *Washington Post*, Alden's cuts added to the lost of nearly 2,900 newspapers and almost two-thirds of newspaper journalists since 2005.



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Executive Board @ 7:00 PM - Delegate meeting @ 7:30 PM
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