HENRY KAISER’S ORPHANS

After thirty-two years at the Kaiser Aluminum plant in Trentwood, rolling molten metal into usable forms, Dave Carlson envied his father. Making aluminum is one of the hottest, hardest, and dirtiest jobs in modern America, but Dave’s dad had worked at the same mill before modern technology had made the job just a little easier. So why did Dave think that things had been better for his father?

Sitting in his union’s storefront office, Carlson explained, “All my father saw were the good days.” As with many families in Spokane, a gritty factory town in eastern Washington, there had been little question that he’d follow his father into the rolling mill located ten miles beyond the city line. The elder Carlson had gone to work at Trentwood in 1946, shortly after the legendary Henry J. Kaiser had founded the company, and he retired in 1976, when Kaiser’s heirs were still in control. Dave was hired in 1973, so he worked for a succession of new owners, culminating with the financier Charles Hurwitz, who ended up locking out his own employees and bankrupting the company. Increasingly discontented with the new management, Dave became active in the union, eventually becoming president of Local 338 of the United Steelworkers.
From 1998 through 2000, negotiations for a new union contract deadlocked, the workers went on strike, and the company refused their offer to return to work. So Carlson took on new roles—bargaining with management, leading picket lines, and making sure that workers got their strike benefits. His life became more varied and challenging than his father’s, but still he envied the settled world his old man had known, when a benevolent company and a strong union together guaranteed a stable livelihood. “Everyone enjoyed working for Henry J. Kaiser because he treated you right,” he said. “It was a good place to work, great benefits, health care, and vacations.”

Kaiser Aluminum’s history was a parable of how workers could be encouraged to take pride in their work—and how that pride could turn to rage when their company morphed from model employer to corporate cutthroat. Ambitious, hardworking, and attuned to the temper of his times, Henry J. Kaiser began his business career during the conservative 1920s as an unusually demanding boss who drove his employees mercilessly. But when he found that workers were more responsive to respectful treatment, he became the prototypical progressive capitalist, practicing and preaching the New Deal doctrine gospel that businesses benefit from stable and satisfied workforces and cooperative relationships with unions. During Kaiser Aluminum’s heyday, its policies proved that workers could take satisfaction in doing some of the most difficult and dangerous blue-collar jobs and could develop a remarkable degree of loyalty to a company that cared about them. When new owners treated their employees as costs to be cut, their loyalty turned into fury. The workers resolved to hold out “one day longer” than their employer, even though the strike and the lockout lasted for two years. Burdened with debt, fines for labor law violations, and underfunded health and pension plans, Hurwitz lost control of the company, and its new management returned to the founder’s vision. By 2005, a slimmed-down Kaiser Aluminum sold specialty products to Boeing and Airbus. Once again, Kaiser Aluminum developed a partnership with the
Steelworkers Union, which now selected four of ten members of the company’s board of directors.

“The Fabulous Mr. Kaiser”

In a society that turns successful CEOs into celebrities, Henry J. Kaiser was as famous during the 1930s and 1940s as Bill Gates, Jack Welch, and Donald Trump are now. But just as today’s tycoons personify the practices of the unstable new economy, Kaiser advanced the values of the New Deal. By the time he became a national figure, it is impossible to imagine Kaiser having a third of his workforce consist of temporary workers (as Gates did during the 1990s), boasting that he closed down entire divisions of his company (as Welch did in his best-selling books), or making his most famous phrase “You’re fired” (as Trump does on his television series). Instead, Kaiser was known as Franklin D. Roosevelt’s favorite businessman, the inventor of prepaid health care for workers and their families and child care for their kids, and the advocate for a postwar prosperity built on a secure and growing middle class.

Because of Kaiser’s high-profile progressivism, the conservative columnist Westbrook Pegler attacked him as being overly dependent on government contracts and a “soft touch” for the unions. But Kaiser was far from being a softheaded humanitarian. His background and earlier career cast him as a hard-driving Horatio Alger, a self-made businessman whose can-do spirit helped him to found successful companies in industries ranging from photography to construction, shipbuilding, steel, and aluminum. His enlightened employee-relations policies were all the more noteworthy because he began his career as a demanding boss who later learned that satisfied workers were more productive than insecure ones.

Born in 1882 in the small town of Sprout Brook in upstate New York, Kaiser dropped out of school at the age of twelve to help support his family. Kaiser’s father, a German immigrant
shoemaker, made leather boots by hand, but he was losing business to nearby factories that mass-produced footwear. While Henry J. Kaiser rarely talked about his father, several of his biographers suggested that his determination to be first in his industries was forged by his father’s failure to keep up with the times. After leaving school, Kaiser took a job at a dry goods store in Utica, but he soon bought a photography business in Lake Placid and expanded it with branches in vacation spots in Florida, Nassau, and the Bahamas.

Then, perhaps following the proverbial advice “Go west, young man,” Kaiser moved all the way across the continent to a community with which he would be connected for the rest of his career, Spokane. There, he founded a construction company that did business in the Pacific Northwest, California, and Canada. Beginning with state road and bridge projects, he eventually coordinated the construction of major federally funded projects, including the Hoover Dam in Colorado and the Bonneville and Grand Coulee Dams in Washington, both of which, decades later, would provide hydroelectric power for the Kaiser Aluminum Company. During the late 1920s and early 1930s, Kaiser’s competitive advantage was his determination to complete his projects quickly and inexpensively.

Just a few years later, Kaiser would coin quotable sayings about improving working Americans’ lives, but at first, all of his maxims were about the importance of outworking his competitors. To people who doubted that a job could be done, he said, “I’m a builder, and if you call yourself a builder, you ought to be able to build anything.” To anyone who doubted that the job could be done quickly, he added, “There’s no money in a slow job.” And to those who still doubted that Kaiser’s company could do whatever he set his mind to, he added, “Problems are simply opportunities in work clothes.”

In order to meet his deadlines and keep within his budgets, Kaiser drove his workers to the edge of exhaustion—and beyond—at a terrible toll in their health and even their lives. During the
construction of the Hoover Dam, fourteen men died from the heat in a single day in 1931. Soon afterward, fourteen hundred workers went on strike over unsafe conditions and the simple lack of water. Kaiser fired them.

Although he never apologized for the terrible working conditions on this project, Kaiser did have what he later called “a transformation” of his attitudes toward workers and their unions.

In addition to whatever humane impulses he had, Kaiser had at least three practical reasons to treat workers better. First, his reputation was damaged by the deaths at the Hoover Dam, and the project was delayed by the strike. Second, Kaiser’s companies were moving beyond construction to other industries that required stable workforces. And third, as he continued to seek government contracts and other opportunities that depended on the goodwill of public officials, pro-labor politicians were taking office, from President Franklin D. Roosevelt to other liberals in state and local governments.

Completing projects in remote areas of the Pacific Northwest, California, and the Rocky Mountain states, Kaiser and other contractors whom he coordinated found that they could not count on regular supplies of the construction materials that they needed. Always the can-do businessman, Kaiser built several sand and gravel plants of his own and a huge cement plant at Permanente, California. These plants helped him to get contracts to complete more mammoth projects, such as building the piers for the San Francisco Bay Bridge.

While construction projects employed itinerant workforces that often moved from job to job and contractor to contractor, these factories needed loyal, stable, and motivated workforces, as would later Kaiser ventures, such as aluminum mills. By the mid-1930s, Kaiser had raised the pay for his workers, improved health and safety conditions, and looked for new benefits to provide for employees and their families. He also invested in the most modern equipment, explaining that he would rather wear out his machines than his workers.
In 1935, Congress passed and President Roosevelt signed the National Labor Relations Act, which guaranteed workers’ rights to organize unions and bargain with their employers. Although major auto and steel companies and some construction companies still opposed unions, Kaiser quickly got in step with the trend toward collective bargaining. That same year, Kaiser made sure that the Northern California association of rock, sand, and gravel producers, which he headed, signed an agreement with the American Federation of Labor (AFL). Two years later, as part of his proposal to supply cement for the federal government, Kaiser declared that he “faithfully followed the policies of this administration with reference to collective bargaining, both in letter or spirit.” In 1943, the AFL recommended that Kaiser and another pro-union businessman get all the federal contracts for shipbuilding.

By the 1940s, Kaiser’s businesses had branched out well beyond construction, and he was building relationships with and soliciting contracts from Roosevelt administration officials, starting with the president himself. As the historian Stephen B. Adams wrote in his perceptive biography *Mr. Kaiser Goes to Washington*, Kaiser was becoming the first “government entrepreneur” actively seeking business opportunities that filled public needs and advanced public policies. Adopting a new watchword, “Find a need and fill it,” Kaiser took it upon himself to advance three goals of Roosevelt’s New Deal: helping working people and their families; equipping the military for World War II, and introducing competition into industries dominated by only a handful of companies.

As the nation prepared for and entered World War II, Roosevelt and his advisers appreciated Kaiser’s can-do attitude. Beginning in 1940, Kaiser started up seven shipyards in California, Washington, and Oregon, employing two hundred thousand workers and building a third of all the nation’s new ships for the navy and the merchant marine, more than any other industrialist provided. Meanwhile, Kaiser also served one of the administration’s domestic
goals, entering industries where the New Dealers believed that powerful corporate combines were restricting supplies and raising prices. During the 1940s, Kaiser founded companies in the magnesium, steel, aircraft, and aluminum industries. As Business Week observed, “His approach is to find a field in which the Administration considers [there is] a monopoly. Kaiser then goes into the field as an independent operator, and, in so doing, assures himself of government support.”

Confident that leading New Dealers, including Franklin and Eleanor Roosevelt, would approve of his endeavors, Kaiser developed new ways to advance social goals with the same energy and imagination that he improved production processes in construction, shipbuilding, and other industries. Seeking to reduce absenteeism, promote productivity, and perhaps atone for the tragedy at Hoover Dam, Kaiser provided health care for workers at his dam projects and shipyards. First, Kaiser hired doctors and nurses to work at the facilities, treating workers who became ill or injured. Then he created a new program where, for a minimal annual fee, his employees and their families could get medical checkups and other types of health care. Soon, he called this service the Kaiser Permanente plan—the forerunner of what became the nation’s largest health maintenance organization.

With what was, for him, a minimal amount of fanfare, Kaiser had invented prepaid health care and paved the way for today’s HMOs.

Similarly, Kaiser invented the child-care center and created the forerunner for the Head Start program. With able-bodied men being drafted into the armed forces, millions of women flocked into factories on the home front—“Rosie the Riveters,” they came to be called. At the suggestion of Eleanor Roosevelt, who believed that child neglect was a national scandal, Kaiser created child-care centers at his shipyards that served as models for other industries. At his Portland, Oregon, shipyards, Kaiser built playrooms for workers’ kids, with the newest playground equipment, cafeterias staffed by nutritionists, and infirmaries staffed by
nurses. As the historian Doris Kearns Goodwin wrote, these facilities were more advanced than daycare centers decades later—indeed, Kaiser had created “a Head Start a quarter of a century ahead of its time.”

To be sure, all of these government contracts didn’t just fall into Kaiser’s lap. Leading the way for other companies such as Boeing and Microsoft, Kaiser hired a staff of representatives in what Bill Gates would call “the other Washington, D.C.” These included the leading lawyer-lobbyist Tommy Corcoran and a young attorney, Lloyd Cutler, who would later serve as White House counsel for presidents Jimmy Carter and Bill Clinton. While Kaiser remained a registered Republican, he led several campaigns that furthered the Roosevelt administration’s political purposes, including a “nonpartisan” voter registration and mobilization effort during the 1944 presidential election. A frequent guest at the White House, he replaced Joseph Kennedy as the president’s favorite business leader.

Meanwhile, Kaiser cast himself for the part later played by Lee Iacocca, Bill Gates, and Jack Welch—the business executive as national hero. With a staff of publicists and speechwriters, Kaiser received worshipful coverage from newspapers and magazines, particularly Henry Luce’s Time, Life, and Fortune, which breathlessly branded him “the fabulous Mr. Kaiser.” In the spring of 1945, a Roper poll found that the public believed that Kaiser had done more than any other civilian to help the president with the war.

Apparently, President Roosevelt agreed. Aware that he was ailing, Roosevelt dumped his left-leaning vice president, Henry Wallace, in 1944 and searched for a running mate who could replace him, if necessary. As his cousin and confidante Margaret Suckley revealed decades later, Roosevelt told her that the best-qualified candidate was Henry J. Kaiser. “I have a candidate, but don’t breathe it to a soul—there is a man, not a politician, who, I think I could persuade the country to elect,” he told her. “There would be such a gasp when his name was suggested that I believe I would have a good chance if he were sold to the country in the right way.” Asking his political advisers to explore the
possibility of a Kaiser candidacy, Roosevelt was dissuaded when they discovered that many Americans mistakenly believed that the industrialist was Jewish.

Although the White House wasn’t in Kaiser’s future, yet another new industry was. In a meeting on February 18, 1942, Interior Secretary Harold Ickes (whose son and namesake would be Bill Clinton’s liaison to the labor movement) asked Kaiser to enter the aluminum industry in the Pacific Northwest. There were shortages of aluminum for aircraft production, Ickes explained, and the administration believed that the leading producer, Alcoa, was creating production bottlenecks. The idea languished, and instead the government decided to operate its own aluminum plants—an extreme measure even for the New Deal. But Ickes had planted an idea in Kaiser’s mind, and immediately after the war, Kaiser bought two government-operated aluminum plants, the Trentwood and Mead mills outside Spokane, while building or buying other plants in Tacoma, Washington, not far from Seattle, and in Newark, Ohio; and Gramercy, Louisiana. He called his new company Permanente Aluminum but soon changed the name to Kaiser Aluminum.

“It was called ‘Kaiser’s Folly’ when it was opened,” recalled Alan Link, a former local union president at the Trentwood plant, whose father had also worked there (and led the local union). “Everyone knew, after the war was over, there was no need for aluminum.”6 But, once again, Kaiser could see around corners. With the growth in civilian aircraft and the Cold War’s continuing demand for missiles and military aircraft, companies like Boeing demanded more aluminum than ever. Kaiser Aluminum would be the nation’s third-largest producer, after Alcoa and Reynolds, benefiting from its location in the Northwest.

**Good Times at “the Lazy K”**

Lightweight, rust-free, and capable of conducting electricity, aluminum is a valuable and versatile metal. It’s used in automobiles, airplanes, trucks, ships, railroad cars, bicycles, cans, foil, and
electrical transmission lines. In many working-class communities across the country, the houses (usually built after World War II) have aluminum siding. In the movie *Tin Men*, Richard Dreyfuss and Danny DeVito portray salesmen peddling aluminum siding in Baltimore during the 1950s. As a high school kid in New York City in 1968, I had a summer job going door-to-door in the east Bronx selling a product that was supposed to protect aluminum doors against the rain and the snow. It was unnecessary, and I remember one angry homeowner, clad only in his shorts and T-shirt, chasing me away, screaming, “This stuff is crap.” He was right. Aluminum doesn’t rust and only corrodes slightly.

Making aluminum is much harder than selling it. In its natural form, powdery white alumina is found in bauxite ore. To turn alumina into a useful metal, aluminum, the alumina is placed in huge high-temperature vats—“pots,” as they’re called in the smelting mills—in a “bath” of sodium aluminum fluoride and other materials. As the electric current is passed through a series of the pots in a “pot line,” temperatures in the “pot room” become almost unbearably hot. Eventually, the alumina separates into two constituent elements, aluminum and oxygen. At rolling mills like the Trentwood plant, workers take the molten metal and turn it into usable forms, such as rods, sheets, and coils.

No way around it, working in these mills is as agonizing as any job in modern America. As Jim Woodward, who worked at the Tacoma smelter, recalled, “The pots burned at 1,300 degrees centigrade. There were a hundred or so pots in a room. Each pot was the size of a small room. The room was a building the length of a football field.” Workers wore heat-resistant suits, like astronauts, that covered their entire bodies, from their heads to their electrically insulated boots. With the work-suits and the excruciating temperatures, everything was more difficult. “A wrench weighed about five to six pounds,” Woodward remembered. “In the heat it feels like two hundred pounds.”

Workers were covered with sweat and soot. “You were wet from top to bottom,” Woodward recalled. “Your clothes were
soaked. Caked ore is from the plant. Cake stuck to your skin and your clothes. You would shower when you left.” Once his wife went to the plant to bring him something. “She didn’t recognize me.” Most people, even young men who’d worked in factories or on construction sites, couldn’t last at jobs in the smelters and the rolling mills. Looking back on their years at Kaiser Aluminum, workers keep telling the story of hiring in right after high school, often following their fathers into the mills, and watching while other newcomers quit or were fired. “I hired in during the summer time,” Woodward recalled. “You might have twenty workers starting and seventeen would quit the same day. . . . A newly hired worker would walk in the lunchroom. The older guys would say, ‘Hey, kid, when you quit tomorrow, what size are your boots?’ . . . If you could make it thirty days, you had a job for life.” Woodward’s father was a guard at Boeing, and Woodward remembers that even as a twenty-year-old, he made more than his father made.

Kaiser did his best to make these arduous jobs bearable. In its union contracts with the Steelworkers, the company usually paid a little more and offered better benefits than Alcoa and Reynolds did. Sometimes, Kaiser broke with the other two companies in contract negotiations, earning the enmity of its competitors and the gratitude of its workforce. In addition to the state-of-the-art work-suits and boots, the company provided water bottles and later Gatorade and doctors and nurses in the plants to treat injuries and heat exhaustion and provide annual checkups. In an innovation unheard of anywhere except in colleges and universities, Kaiser Aluminum offered its employees ten weeks off at thirteen weeks’ pay every five years. The workers could do whatever they wanted—go back to school, go on a vacation, fix up their homes, stay home with the kids, or, as most did, take temporary jobs and collect two paychecks. Professionals would have called this time off a “sabbatical.” Kaiser workers called it “my long vacation,” and, decades later, they still thank “Henry J.”—no one calls him anything else—for it.
Looking back on the years when Henry J. and his heirs ran the company, workers remembered that the supervision was no stricter than absolutely necessary. “They left you alone,” Carlson recalled. “You did your job, and you went home.” In fact, if workers could do their jobs in less time than their eight-hour shifts, supervisors let them “take a nap somewhere without being interrupted,” especially on the graveyard shift (midnight to eight a.m.). Because of the naps and the sabbaticals, the Kaiser workers’ neighbors in Spokane called the company “the Lazy K.” They smiled when they said it, though, because everyone knew that even working for Henry J., making aluminum was the toughest job in town.

Even now, with the Kaiser family long gone and the smelters in Mead and Tacoma closed, workers speak proudly of their work, their products, and the company as it used to be. Because their jobs were so difficult, people were proud that they could do the work, and they relished the respect of their coworkers and supervisors. That was especially true for the handful of women who worked at Kaiser. The first woman to become a welder at Tacoma, Rosanna Miller—“Yes, they called me Rosie the Riveter”—still speaks with pride of every promotion she received. Starting out in the most difficult place of all, the pot room, she was threatened with firing by a supervisor who said that she, literally, couldn’t take the heat because she was a woman. She was rehired to work in the “paste room,” which mixes the carbon in the aluminum reduction process. Three years later, she heard that as part of an affirmative action program that Kaiser Aluminum and the Steelworkers had introduced, she could apply for an apprenticeship as a welder. She applied, was accepted, completed the program successfully, and, as she proudly remembers, instead of being pushed out, she moved up. That program was historic: it was unsuccessfully challenged by a white man, Brian Weber, in a case that reached the U.S. Supreme Court in 1979, and, for the first time, the AFL-CIO under an
aging George Meany, filed a friend-of-the-court brief in support of an affirmative action plan.

“It was fun to go in—I looked forward to work every day,” said Kevin Dupus, a machine operator at the Trentwood plant. “You got along with everybody. Management treated you decently.” There was a camaraderie that extended from the factory floor to the union hall. “Each crew became a family, working these weird hours,” Woodward said. “You did things with the other guys and their kids—hiking together, picnics together. The union was a big deal, guys were involved. I worked two union jobs before Kaiser, and I don’t remember monthly union meetings.” There was also a fierce pride in the product. Years after leaving Kaiser, Link boasted that the plants used the best processes for smelting and rolling aluminum: “We made 99.99999 percent pure metal, as good as you can make.”

Moreover, workers took pride in knowing Henry J., a national hero who never lost touch with his workforce and with the city of Spokane, even after he moved his base of operations to Oakland, California, and later to Hawaii. Together with hiring in and watching other newcomers quit, the stories that Kaiser workers tell most often are about the times that they, their fathers, or their grandfathers first met Henry J. when he toured their plants. Decades later, they remember and agree with his philosophy. “I always heard stories of how his workers came first,” Dupus remembered. “He believed it is important to provide a good reliable job for the family man.”

When the topic is working at Kaiser, the talk soon turns to families and fathers. It was the kind of company where sons followed their fathers into the factories, and young men (and the occasional young woman) were proud that they could do the jobs their dads did. Soon someone mentions the day their dad met Henry J., and the impression is inescapable that in a company that was at once egalitarian and paternalistic, the founder was the greatest father figure of all. Long after Kaiser and his heirs
were gone and the new owners made the company crueler, the workers sounded like Henry J.’s orphans.

“**They’re Not Going to Settle**”

Henry J. Kaiser died in 1967, at the age of eighty-five. His heirs held onto the company until the late 1970s, when it was sold to British investors who maintained its management team and traditional policies. Without the innovative Henry J. Kaiser at the helm, with aluminum prices declining, and with stiff competition from Alcoa, Reynolds, and foreign companies, Kaiser Aluminum’s fortunes declined. Shortly after the stock market fell in October 1987, Kaiser was sold to a Texas financier, Charles Hurwitz, and his company, Maxxam.

Hurwitz bought Kaiser Aluminum with junk bonds, saddling the company with a huge debt that eventually contributed to his downfall. To hear Hurwitz’s numerous critics tell it, Hurwitz combined the least attractive features of the corporate raiders of the 1980s and 1990s, such as Frank Lorenzo, Michael Milken, and the fictional Gordon Gekko, whom Michael Douglas portrayed in the movie *Wall Street*, famously proclaiming, “Greed is good.” Hurwitz had owned a failed savings-and-loan, the United Savings Association of Texas, and the bailout cost taxpayers $1.6 billion and was the third-largest in the nation’s history. He had also acquired Pacific Lumber, a family-owned California timber company. He soon doubled its cutting of old-growth redwoods, infuriating environmentalists—a situation the Steelworkers would use to their advantage when they searched for allies.

At first, Hurwitz was content to keep Kaiser’s veteran managers, but as the company lost its market share and profit margins, he took a tougher line against the workers, their union, and the company’s generous wages and benefits. The sabbaticals and supervisor-sanctioned naps were the first to go. Then came a drumbeat of demands for freezes or cuts in pay scales and other costs.
In 1983, the company and the union negotiated a wage freeze. Then, as Woodward, who served on the union’s negotiating committee, recalled, there were two years of “concessionary bargaining” that resulted in $4.80 an hour in cuts in wages and benefits. In return, the workers received company stock, but in 1988, in a decision that Kaiser workers and retirees still debate, they cashed in their holdings, losing their stake in the company’s future. Meanwhile, in a costly move that eventually went sour, the company diversified into real estate and chemical divisions. During this period, workers grew discontented with the company and the union, and many local union officers were defeated for reelection.

Once again, in 1994, the workers agreed to new concessions, totaling $50 million. Many jobs were combined so that workers assumed new responsibilities. Hundreds of workers were laid off in Spokane, Tacoma, and elsewhere. The workers thought they would be rewarded in good times, but the company kept coming back for more.

In 1995, the workers staged a nine-day protest strike that resulted in restoring some of their lost wages. “There was a terrible frustration among people who made sacrifices, got stock, and now had no way to get money back from the stock,” Woodward recalled. “A lot of people thought you could shut them down for a ten-day strike, everything would be fine. We juggled things around, passed the agreement, and back to work.” It looked like a victory, but, as Woodward explained, the ultimate result was, “Kaiser said, ‘We might have been caught with our pants down once, but we ain’t gonna get caught with our pants down again.’”

By then, the older generation of executives and supervisors whom Henry J. Kaiser had trained was retiring, and tougher bosses were taking their places. A former manager at Trentwood, Ray Milchovich, became the CEO. He may have had blue-collar roots, but he had blue-chip aspirations, which aroused the union members’ anger. “Ray was a short little guy with a big
ego and expensive tastes,” Woodward remembered. “I can still see him with starched French shirts. . . . After all these years at Trentwood, if he got a chance to get rid of the union, he would.” Soon, the company was taking every union grievance victory to arbitration, denying workers the satisfaction of ever winning and costing the union thousands of dollars in arbitration expenses.

As the negotiations for the 1998 contract got under way, it was clear that this time, Kaiser was playing for keeps. “When we went into the 1998 negotiations, this was a normal pattern bargaining that we had been used to,” Woodward recalled. “They [Kaiser] wanted to take a contract that took fifty years to build and basically throw it in the shit can and turn it into a few pieces of paper.” Among other changes that the company proposed, all the workers would go on annual salaries without overtime and shift differentials. Each facility would have its own agreement, eliminating the union’s collective clout as the representative of all of the company’s blue-collar workers. “They would have made us a company union,” Woodward said, using the labor movement’s traditional phrase for an employee organization that exists at only one facility and is subservient to the employer.

Kaiser’s negotiators didn’t dispel the view that they were out to break the union. In the opening bargaining session, Kaiser’s vice president of administrative operations, Wayne Hale, referred to the union disparagingly, as if it were a social group: “Listen, I think everyone should belong to a club at some time. But we have to make changes in order to compete.”

Meanwhile, Kaiser was already advertising in the Spokane newspapers for “replacement workers” (union members call them “scabs”) in the event of a strike. During the summer of 1998, managers interviewed and conditionally hired these workers at the Redpath Hotel in town. “Management had a book with job descriptions with pictures, a private scrapbook for scabs,” recalled John Wheeler, who worked at the Mead smelter. In preparation for a strike, “they brought in trailers, washers and dryers, and portable kitchens.”
Workers also remembered unlikely candidates being hired and promoted for regular jobs at the company, with the implicit understanding that they would work during a strike. Wheeler served on the joint labor-management apprenticeship committee, and he said that the company was placing people with unusual backgrounds in training programs. “They were hiring ex-navy people—military people follow orders—not people who were union members elsewhere. They were hired in the bargaining units and then promoted.” Prim, precise, and well-groomed, the new hires stood out from their coworkers. “They looked like Republicans,” said Roseanne Miller, who herself had graduated from the apprenticeship program but as a trailblazer, not a strikebreaker.

As the negotiations crept along, Alan Link, who had become an official of the state AFL-CIO, told the labor group’s president, Rick Bender, to expect a long and grueling strike. “They [Kaiser] don’t want to settle,” Link predicted.  

A Ladder to Luna

On October 1, 1998, as the old contract expired, the union’s bargaining committee rejected the company’s latest offer. Characteristically, the company and the union couldn’t even agree on what Kaiser was offering. The company claimed that it would raise base wages by $2.75 an hour over five years—a meager offer, by most standards. But the union maintained that even this increase would be eaten up by eliminating overtime and shift differentials.

The workers walked off their jobs. The usually soft-spoken Roseanna Miller remembered, “We were escorted out of the plant by jackbooted guards and goons.” For the next two years, the company and the union fought on three fronts: the bargaining tables, the plants and the picket lines, and the public stages on which the union conducted a campaign of guerrilla theater.

The actual bargaining was a textbook case of the conflict between a company that was intent on drastically cutting costs in order to become competitive in the global marketplace and a
union that wanted to limit the concessions it would make after workers had already made substantial sacrifices to keep Kaiser Aluminum in business. Indeed, the Bureau of Labor Statistics later commissioned a dispassionate study of the negotiations, authored by a staff economist, Edward J. Wasilewski Jr.

After the walkout began, the company and the union continued to conduct negotiations, off and on and usually with the assistance of the Federal Mediation and Conciliation Service. But on October 30, the bargaining was temporarily derailed when the union objected to a talk that Kaiser’s CEO, Ray Milchovich had delivered at a conference of New York industry analysts. Upping the ante on the company’s earlier proposal, Milchovich said that he wanted to reduce the number of jobs at the five plants by between six hundred and nine hundred.

Returning to the bargaining table on November 21, the union made a counteroffer that recognized that Kaiser had to streamline itself but that limited the sacrifices that workers would make. The union suggested an early retirement incentive to reduce the workforce, coupled with protections against plant closings, contracting out work, or layoffs of workers with two years or more of service. Rejecting the union’s position, Kaiser said that the proposal still failed to increase productivity.

On December 11, Kaiser presented the union with an unwanted Christmas present—a 1,200-page proposal to eliminate “antiquated” work rules, cut seven hundred jobs, postpone capping the company’s contributions to health premiums, and increase wages by $3.13 an hour. “It was so huge, it was delivered with a fucking forklift, as someone said,” recalled Steelworkers lawyer Paul Whitehead. “They photocopied it for every negotiator.” The union rejected the proposal.12

After resuming negotiations in Chicago on January 7, 1999, and talking again from January 11 through 13, it became clear that the two sides were far apart. After the bargaining, “We had a real come-to-Jesus meeting among the union people assessing
the situation,” Whitehead said. “We decided to offer to return to work and continue negotiating.” The company rejected the offer and declared that it was locking out—in effect, firing—the striking workers, a hardball tactic that was never used at Kaiser and had only rarely been used in U.S. industry. For the next year, the real action would be on the picket lines and in the guerrilla theater that the union staged.

When the workers walked off their jobs on October 1, the company ran the plants in Spokane, Tacoma, and elsewhere with more than a thousand strikebreakers and supervisory employees. A security firm—IMAC—provided guards for the plant. Wheeler, Miller, and other workers described them as “black-booted guys in black uniforms”—fearsome garb that anticipated how the police and the anarchists would dress at the WTO protests less than a year later. Meanwhile, the mills became self-contained cities, with the replacement workers putting in two twelve-hour shifts every day and eating, sleeping, and washing their clothes inside.

Receiving unemployment compensation because they had been locked out and striker benefits from the union, most of the workers maintained picket lines around the mills. At the Tacoma smelter, which was on the waterfront, Miller recalled, “We picketed at the back gate, the front gate, the port, and the railroad gate.” Occasionally, there were encounters between the striking workers and the guards. Miller remembered: “I was picketing at the port on Sunday. I saw a ‘goon guard’ cross a line and use a men’s restroom. I told the longshoremen and the police. The police told him to use the restroom in the plant.”

In addition to strike benefits, the union maintained a food bank at the union hall, with a cargo trailer. Compared to the company’s absentee owners and replacement workers, most residents of Spokane and Tacoma saw the striking workers as the home team. Longshoremen and local businesses brought over hotdogs, hamburgers, pizza, and other food to the picket lines and the union hall.
But the Steelworkers had learned from bitter battles with other companies, including the financier Mark Rich, who had acquired an old Kaiser plant in Ravenswood, West Virginia, that unpopular employers were most vulnerable far away from their factories. Foreshadowing the WTO protests that united blue-collars and greens, the union forged an alliance with environmentalists, who hated Hurwitz because he was clear-cutting California forests.

On May 19, 2000, nearly three hundred workers and environmentalists traveled to Texas for Maxxam’s annual stockholders meeting at a remote country club in a Houston suburb. Clearing security guards and metal detectors, the protestors—each of whom had bought a share of the company’s stock—heckled Hurwitz and nominated former Ohio senator Howard Metzenbaum and former Illinois congressman Abner Mikva to serve as members of the board of directors. Although the insurgency was supported by public employee pension funds from California and New York, it was defeated, but not before Hurwitz got more unfavorable news coverage.

Calling themselves the “road warriors,” Kaiser workers visited the company’s customers in the United States and Canada, claiming that the replacement workers didn’t know their new jobs and were making unsafe products. For instance, Richard Prete, a maintenance mechanic at Trentwood, traveled to Calgary, Alberta, where Crown Cork and Seal bought rolled coil that was produced to make aluminum cans. “I tried to persuade them not to use the metal made by replacement workers because of quality concerns,” Prete remembered. “The workers agreed there were problems, and the managers said they’d take a closer look.”

In their most unusual action, the Steelworkers traveled to Eureka, California, where Hurwitz’s company was cutting down forests and, the union believed, recruiting strikebreakers for Kaiser. Together with environmentalists, the union members rallied against the financier. Then a delegation of Kaiser workers paid a visit to Julia Butterfly Hill, a young woman who lived on a two-hundred-foot-high platform in an ancient tree that she
named “Luna.” Other young people rigged up ropes and ladders and brought her food. The Steelworkers’ group was muscular and mechanically savvy, but with larger body builds than the vegetarians who usually visited Hill. Still, the Steelworkers rigged up their own ropes and ladders and huffed and puffed their way up to visit the environmental heroine, who endorsed the strike. Soon, they were hanging out with rock stars and other celebrities who were participating in the environmental protests.

The experience brought the workers into a world that their fathers wouldn’t have recognized but their kids appreciated. “Julia Butterfly Hill is a lovely young woman,” Woodward said years later. “Bonnie Raitt is one of the nicest people you’ll ever meet. Joan Baez is remarkably unpretentious.” Years later, when these performers were playing in Seattle, Tacoma, or Spokane, the workers went to their concerts.

When Jackson Brown came to Eastern Washington, Woodward went to a backstage party with the star, his sidemen, and the road crew.

Ultimately, three body blows forced Hurwitz to settle with the union. The debts he ran up when he bought the company had continued to grow. With the 2000 elections coming up, the Clinton administration threatened to prevent Kaiser from reselling the hydroelectric power it purchased at low rates from Bonneville. And on May 1, the National Labor Relations Board announced plans to charge Kaiser with unfair labor practices that could have cost the company more than $200 million in back pay.

Kaiser agreed to binding arbitration, and on September 18, 2000, the arbitration panel split the difference between the company and the union. Workers received modest wage increases totaling $3.42 an hour over five years, without cuts in their health benefits. Massive layoffs were ruled out, but the company was allowed to combine many job titles and loosen many work rules. With some grumbling, workers ratified the agreement.

Returning to work at Trentwood on October 24, the workers were greeted by a mile-long chain of cars as they drove up Euclid
Avenue to the mill for their first morning shift in more than two years. Friends, family, and other supporters cheered and waved. When some workers rolled down their windows, supporters reached inside and shook their hands.

Over the months ahead, it became clear that while the workers hadn’t won, Hurwitz had lost. He hadn’t broken the union, but the company was broke. Rising debts, increasing electrical bills, unpaid health and pension costs, lost business during the lockout, and the prospect of back pay awards all plunged Kaiser into bankruptcy court. As we’ll see in the afterword, the company emerged slimmer than even Hurwitz had wanted, with the smelters at Tacoma and Mead closed but jointly managed with the union and focused on high-quality specialty products for customers such as Boeing and Airbus. Once again, workers would say that the company was treating them right.

Somewhere Henry J. was smiling.