Stealing for Union Bosses

BY CHARLES W. BAIRD

H.L. Mencken opined that "Every election is a sort of advance auction sale of stolen goods." The November 2006 congressional elections are an excellent example of Mencken's proposition. The attempts by the 110th Congress to steal property and other rights from most of us at the behest of organized interests from which politicians take their orders are too numerous to count and too outrageous to ignore. They make one fear for the future of American liberty. For example, consider just a few congressional efforts to steal for the benefit of union bosses.

In my July/August 2007 column I wrote at length about the cynically named Employee Free Choice Act, the actual effect of which would be to eliminate employee free choice on the issue of union representation. This is a clear case of politicians stealing rights from workers to benefit union bosses. Here are other examples:

- HR 1644, the so-called "Respect Act," would disrespect workplace supervisors by exposing them to coercive union organizing. The National Labor Relations Act (NLRA) specifically exempts supervisors from its regulations. The Respect Act would remove that exemption. Union bosses like to pretend that any workers not subject to their control are being exploited. The truth is that most workers not subject to the impositions of the NLRA are grateful to be free of coercive unionism.
- HR 980 would force all police, firefighters, and emergency medical technicians (EMTs) to pay union dues before they would be permitted to do their duties. It would also outlaw volunteer firefighters because volunteers don't pay union dues. Police, firefighters, and EMTs are usually employees of state and local governments, and many such governments protect their emergency workers from coerced unionism. HR 980 would override those protections.
- Continuing congressional efforts to turn back the clock on free trade are all about shielding some unions, and the manufacturers whose workers those unions represent, from global competition. This is a theft of rights of consumers as well as of workers willing to compete in the global economy. Union bosses know that if they don't have to face competition from foreign workers, and if more American workers can be forced to become union members through, for example, the Employee Free Choice Act, the bosses will be much more powerful than they have ever been.
- As Doug Bandow has pointed out, congressional insistence that all international trade agreements include "labor standards" gives union bosses the opportunity to appeal to the International Labor Organization (ILO) when they are frustrated by rulings of the National Labor Relations Board (NLRB) and American courts. For example, the ILO's definition of freedom of association does not include the right of workers to choose not to associate with unions. Twenty-two states have right-to-work (RTW) laws that protect private-sector workers from having to pay union dues and fees as a condition of being able to work. The ILO claims that RTW laws are violations of the covered workers' freedom of association. Union bosses prefer the ILO to the NLRB on this issue.

Hiding Corruption

One of the most outrageous attempts by Congress to steal for union bosses is its effort to permit them to hide their corruption and theft from workers and the general public. Union bosses will have to wait until after the November elections to collect most of their loot. However, they are assured that starting with

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the new fiscal year they will escape effective supervision by the Office of Labor Management Standards (OLMS), which is the agency in the Department of Labor responsible for investigating, exposing, and prosecuting union corruption and victimization of workers. One of its roles is to collect and make public the LM-2 union disclosure forms in which unions are supposed to reveal and explain their revenues and expenditures. Congress delivered this loot to the union bosses by drastically cutting the OLMS budget. Since the federal budget is not subject to a line-item veto, this is a fait accompli.

Department of Union Bosses

During the Clinton administration the OLMS was effectively prevented from doing its job because the Labor Department was run as if it were the Department for Union Bosses. For example, the LM-2 forms then used by the department permitted union bosses to obfuscate their revenues and expenditures, making it almost impossible for the OLMS to enforce the Supreme Court's 1988 *Beck* decision. In that decision the Court prohibited unions from using agency fees, which are forcibly extracted from workers who prefer to be union-free, for political purposes.

Beginning in 2001 the department was run somewhat more in the interests of workers than union bosses. For example, in 2003 it adopted a new LM-2 form, which forced unions to disclose some, but not all, financial details relevant to *Beck* enforcement. Moreover, the unions were required to divulge details of salaries paid to some union bosses. According to the *Wall Street Journal*, in 2006 the treasurer of the United Steelworkers received a salary of $825,262 and the president of the United Food and Commercial Workers received $679,949. This came as a surprise to many rank-and-file who had become accustomed to their leaders complaining about excessive compensation of corporate officers.

In 2001–2006 the OLMS received a 50 percent increase in its budget, and the agency increased its audits of unions by 200 percent. This resulted in 780 convictions of union apparatchiks on charges of corruption and theft, and over $110 million was wrested from union coffers and returned to hitherto victimized workers. In 2006 alone the OLMS conducted 741 compliance audits, prosecuted 339 criminal cases, and won 129 convictions. Union bosses are, to say the least, displeased. They want the Labor Department to once again act as the Department for Union Bosses, and Congress is doing its best to comply.

The three recent strike-threat settlements involving the United Auto Workers (UAW) and General Motors, Chrysler, and Ford all included the creation of a trust fund, to be administered by the UAW, called a Voluntary Employees' Beneficiary Association (VEBA). GM gave $35 billion, Chrysler $8.8 billion, and Ford $13 billion to the UAW to set up VEBAs, which are supposed to be used by the UAW to take over the provision of retiree health benefits from the auto companies. This reduces the so-called "legacy costs" of the American auto companies, which have made it difficult for them to compete with foreign producers. Altogether UAW bosses have an additional $56.8 billion to play with. It is the responsibility of the OLMS to oversee the administration of these funds to assure they are managed in the interests of the retirees. It seems that Congress doesn't care very much about this oversight.

It is disturbing to note that in 2001–2006 the OLMS enforced the same laws that existed before 2001. The difference was not the law, but the willingness to enforce it. The rule of law is a favorite shibboleth of American politicians. Yet when it comes to laws affecting unions, there is no rule of law. What the OLMS does depends on the politicians who run the Labor Department. They all make it up as they go along. Politicians in thrall to union bosses decide one way, and politicians more dedicated to the interests of workers decide another. Law is subordinate to politics. Inasmuch as the NLRA was and remains designed to grant privileges to union bosses at the expense of workers who want to be union-free, its total repeal is a necessary condition for the rule of law to be re-established in American labor markets.