

Labor monopoly
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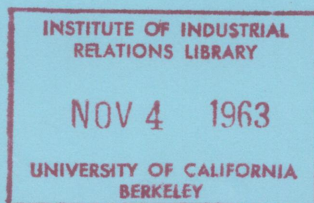
NATIONAL ISSUE

of importance to all Americans :

APPLYING

THE ANTITRUST LAWS

TO UNIONS //



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APPLYING THE ANTITRUST LAWS TO UNIONS

Issue: Should Congress enact legislation affecting the monopoly power of labor union leaders?

BACKGROUND DISCUSSION

The fastest growing issue in the area of labor problems is whether -- and how -- steps should be taken to cope with the monopoly power of unions and the increasing economic strength of union officials.

One important example of union monopoly power is found in the steel industry. Five major nation-wide strikes between 1946 and 1959, ranging from 26 to 116 days, have left their imprint on the price of steel and have increased foreign competition.

Conrad Cooper, executive vice president of the U. S. Steel Corporation, summed up the power of the professional unionists:

"I believe it is a fact that no single company in this country, no single group of companies in the country, and possibly no other group of people except labor leaders can produce a national emergency of the kind we have had in steel, for example, as well as other industries. The only people who can do so are a small handful of labor union leaders."

Industry-wide union organization and power prevail in other industries such as automobile manufacturing, coal, rubber, meat-packing, garment manufacturing, textiles, and segments of transportation. The power of these industry-wide unions is such that hardly an employer in the nation is able to bargain on equal terms with one of them.

The procedure for applying this power varies. Some unions, like the Steelworkers, tend to close down an entire industry at one time in order to obtain simultaneous results. Others bring their demands to bear on one employer, as is done usually in automobile manufacturing. After forcing this one company to capitulate, others, in turn, can be compelled to fall in line. Several international unions will also band together to coerce industry to adopt a uniform wage "package." This was the strategy used by the UAW and Machinists' Union against the missile and defense manufacturers during 1962.

It should be pointed out that strikes themselves are not the evil, for that is the union's right when all other means of sincere and reasonable negotiation fail. Many strikes are, however, the outward manifestation of the more serious problem of union power, that is the imbalance of power held by unions over employers and the abuse of such power.

HISTORICAL
DEVELOPMENTS

Over the years, a psychology developed in the minds of some persons that unions were weak, that they needed special legal privileges and immunities, and that a legal double standard should exist in favor of the unions. As a result of legislative action and court interpretations, labor unions today enjoy immunities for activities prohibited by law to other segments of the economy. These special privileges include among others:

- The legal right to force union membership on employees through union shop contracts;
- The right to involve neutral employers in labor disputes through secondary boycotts;
- Special exemptions from court injunctions;
- Immunities from the antitrust laws;
- The right to become the exclusive bargaining agent for all employees -- union members or not;
- The use of union dues money for political purposes; and
- The protection of the sympathetic sheriffs and police chiefs who decline to enforce laws against union violence.

ARGUMENTS
ADVANCED
AGAINST
LEGISLATION

Generally: Labor unions do not recognize that any problem exists as a result of their immunity from laws applying to employers. Their argument can best be described by quoting from a recent published speech by George Meany, President, AFL-CIO who stated:

"I see no harm in power, if it is power dedicated to human values, if it is power for good -- and that is what the trade union movement seeks.

"Obviously, concentration of power in the hands of a few can be dangerous to the general welfare. But when unions become more powerful, it means that the people of this country become more powerful. It is merely a practical application of the basic principle of democracy."

Specifically: Depending upon the type of legislation proposed, unions employ various arguments in opposition:

Apply antitrust laws to unions. . . Labor is not a commodity. Antitrust was designed for corporations, not human beings.

Outlaw the union shop. . . Workmen who refuse to join unions are "free riders" and should not be allowed by law to win benefits gained through the efforts of union members.

Ban all union secondary boycotts. . . There are no neutrals in labor disputes. Unions should be able to follow the products of a firm that is being struck anywhere.

Repeal the law which permits a union to become the exclusive bargaining agent. . . Chaos would result if minority employees were permitted to bargain for themselves or engage other unions to serve them.

Halt dues money for politics. . . Dues money is spent for political education, not for partisan politics.

Make strike violence a federal crime. . . Violence in labor disputes is more myth than fact.

ARGUMENTS
ADVANCED FOR
CONGRESSIONAL
ACTION

Generally: Removal of the double standards and immunities enjoyed by labor unions would bring about a balance of bargaining power causing more responsible collective bargaining and less national strife.

The root of the problem is the industry-wide power and in some cases the multi-industry-wide power of labor unions. Experience gives no hope that continued work stoppages adversely affecting the economy can be avoided as long as unions are permitted to retain this industry-wide power. Such power bargaining and strikes bring about many injurious results to the public welfare since they remove power from the local union best able to understand local conditions; they establish uniform wage levels according to what the most favorably disposed employer will pay, thereby injuring small employers who are less able to meet competition.

The end result of this industry-wide power is more spiraling inflation and the inability to compete with foreign markets.

Strikes in automobile manufacturing in 1961, in shipping in 1961 and 1962, and earlier in the telephone industry, are a grave warning about the consequences of industry-wide union power.

Preservation of the collective bargaining system between the parties concerned requires that Congress correct any imbalance of power through legislation which would not foster further encroachment and intervention of government in the negotiation of labor contracts.

Specifically: Supporters for corrective legislation propose certain solutions to resolve union monopoly power:

Apply antitrust laws to unions. . . It is entirely feasible to place unions within the framework of the antitrust statutes. The same theory applies to labor unions.

Ban industry-wide power of unions over bargaining. . . . Banning industry-wide power of unions for bargaining purposes would restore collective bargaining to the level where the employer and the representative of the employees can bargain and reach agreement in the light of their wishes, their needs, their circumstances; and not according to the dictates of the labor leader far removed from the working man.

Prohibit restraints of trade by labor unions. . . .To compete in the world, economically and politically, the Nation cannot afford inefficiency and waste of valuable talent and resources through union restraints against trade such as featherbedding, limitation on production; restriction of the labor supply; controlling prices, distribution of goods or work, number of employees or other managerial decisions.

Outlaw the union shop. . . .The essence of our national existence is based on the theory that individual freedom is "self evident." Laws today grant an employee the fundamental right to join with other employees to organize for the purpose of bargaining collectively. This theory has now been distorted to permit compulsory unionism whereby an employee may be discharged or refused employment solely on the grounds of non-membership in a particular labor organization. Corrective legislation needs to be enacted which would permit an individual worker the right to join or not to join a union.

Ban all union secondary boycotts. . . .Loopholes continue to exist in the Nation's labor laws which prohibit secondary boycotts. The continued attempts by unions to involve innocent third parties in a labor dispute necessitates further legislation to protect the general public from this activity.

RECENT
LEGISLATIVE
HISTORY

Four major legislative approaches to curb union monopoly power were offered in the 87th Congress.

Regarded as the most comprehensive was a bill by Representative Dave Martin (R-Neb.) designed to prohibit industry-wide bargaining power, restrictive practices, and national strikes. It would apply to all unions and employers except those subject to the Railway Labor Act.

Senator John L. McClellan (D-Ark.) introduced a bill that was essentially an anti-strike measure limited to the transportation industry.

Two other bills were similar in their approach in that both aimed at ending restrictive labor practices, but would have let the courts identify and determine which practices were against the law.

88TH
CONGRESS

Senator McClellan is expected to seek Senate hearings on the subject on union monopoly power. The Senator is not committed to supporting specific union antitrust legislation, but will undoubtedly consider suggestions offered in the hearings.

Representative Martin has reintroduced his bill (H.R. 333). Similar measures and other various approaches to curbing monopoly power of unions will be introduced. Further legislative activity will no doubt be dependent upon future events involving national labor strife in important segments of the economy and the testimony advanced during hearings, if any.

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