

# NATIONAL RIGHT TO WORK NEWSLETTER

VOLUME 59, NUMBER 3

[www.nrtwc.org](http://www.nrtwc.org)

March 2013

## Forced-Dues Repeal Introduced in U.S. House *Would Bar Firing Employees For Refusal to Pay Union Dues or Fees*

With their hopes buoyed by the passage last year of two new state laws barring the extraction of forced union dues from employees in Indiana and Michigan, pro-Right to Work Americans are now preparing to take the offensive in the U.S. Congress.

"Grass-roots activists in the Hoosier and Wolverine States and their National Right to Work Committee allies stunned Big Labor in 2012 when they successfully lobbied for legislation removing union bosses' forced-dues privileges," recalled Committee President Mark Mix.

"Now it's time for Right to Work members and supporters nationwide to show we can lobby just as effectively in support of legislation that would repeal federally-imposed forced union dues and fees."

### 'When It Comes to Private-Sector Forced Unionism, Congress Is the Culprit'

Mr. Mix continued: "When it comes to private-sector forced unionism, Congress is the culprit."

"Congress rubber-stamped the provisions in the 1935 National Labor Relations Act [NLRA] and the 1951 Railway Labor Act [RLA] amendments under which an estimated 6.4 million private-sector employees must now pay dues or fees to their Big Labor monopoly-bargaining agent, or face termination from their jobs.

"Therefore, Congress has the primary responsibility to remedy the injustice it spawned."

On March 5, legislation repealing the NLRA and RLA provisions that authorize compulsory union dues and fee payments as a condition of employment



CREDIT: ALEX BRANDON/ASSOCIATED PRESS

**On March 5, Congressman Steve King and 57 original cosponsors introduced the National Right to Work Act in the**

**U.S. House of Representatives. This bill would repeal federally-imposed forced union dues and fees.**

was introduced in the U.S. House as H.R.946 by pro-Right to Work Congressman Steve King (R-Iowa).

### Monopolistic Unionism Harms Many Workers

The Senate version of this national Right to Work measure was introduced several weeks earlier as S.204 by staunch forced-unionism foe Rand Paul (R-Ky.).

The two measures have a total of 71 congressional sponsors as this Newsletter edition goes to press.

"The principle behind H.R.946 and S.204 is that Congress should not

authorize a labor union or any other private organization to compel financial support from people who don't want to be members," explained Mr. Mix.

"The fact is, conscientious and talented employees are all too often harmed when they are forced, by government policy, to accept an unwanted union as their 'exclusive' bargaining agent on matters concerning their pay, benefits, working conditions.

"Harvard economist Richard Freeman, arguably the leading academic apologist for forced unionism in the

*See Momentum page 2*

# Right to Work Movement Has Momentum

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U.S., has actually paid tribute to union bosses' remarkable success in 'removing performance judgments as a factor in determining individual workers' pay.'

"And when unionized employees who would surely get paid more if their employer could take their personal performance into account are forced to pay dues or fees to the very union bosses who prevent their employer from doing so -- that's like pouring salt in a wound."

## Top Seven Job-Growth States During Barack Obama's First Term Are All Right to Work

Mr. Mix continued: "Besides being a sound, moral policy, protecting the Right to Work makes sense economically."

"Years of federal data indicate forced-unionism policies hinder private-sector job growth and income growth."

To illustrate the point, Mr. Mix called attention to the U.S. Labor Department's data for civilian noninstitutional employment in the 50 states from January 2009, the month Barack Obama first took office as U.S. President, through December 2012.

This is the most comprehensive Labor Department gauge of job growth available.

"In the 22 states that had Right to Work laws on the books protecting employees from forced union dues throughout the past four years, civilian employment has grown by a net 1.52 million, or 2.7%, since January 2009," Mr. Mix noted.

"Meanwhile, in the 27 states that lacked Right to Work laws prior to December 2012, civilian employment fell by more than 160,000, or 0.2%."

(Indiana, which adopted a Right to Work law in February 2012, is excluded from this analysis. Michigan, which approved a Right to Work law in December 2012, is counted as a forced-unionism state, since its new law does not take effect until late this month.)

Mr. Mix added:

"All the seven states with the highest percentage job growth from January 2009 through December 2012 -- Florida, Nebraska, North Carolina, North Dakota, Oklahoma, Tennessee and Texas -- are Right to Work."

Given the strength of the moral and economic cases for repealing federally imposed compulsory union dues, it's not surprising that Big Labor politicians have a hard time explaining exactly why they oppose S.204/H.R.946.

Take the case of union-label U.S. Sen. Kirsten Gillibrand (D-N.Y.).

## Big Labor Politician Cites Falseness to Explain Away Her Opposition

Last month, a member from the Empire State forwarded to National Committee headquarters in Springfield, Va., a letter from Ms. Gillibrand in which she claimed the Right to Work Act "loosens penalties for employers who harass or fire employees for their desire to form a union."

"Of course, this is a wholly inaccurate description of what the Right to Work Act would do," observed Mr. Mix.

"S.204/H.R.946 would protect the individual employee's freedom to refuse to join or pay dues to a union. It would not alter in any way the federal labor law provisions that penalize violations of the right to join and form a union."

"In fact, the Right to Work Act strengthens federal protection for the right to join and form unions, because, as the Supreme Court of Maine acknowledged in *Pappas v. Stacey*, 'Freedom to associate means as well freedom not to associate.'

"The fact that Sen. Gillibrand and her staff opted to attack an imaginary provision, rather than any actual part of the bill, is a kind of back-handed compliment to the broad appeal of this legislation. Union-label politicians are hard-pressed to say what they don't like about it."

## Right to Work Members Are Lobbying Hard to Build Capitol Hill Support

The 2.8 million National Right to Work Committee members are now lobbying hard to build congressional support for S.204 and H.R.946.

At the same time, Right to Work leaders are deploying the Committee's mail, e-mail and telecommunications operations to mobilize additional millions of Americans in support of recorded Senate and House votes on this legislation.

"Now that nearly half of the 50 states have Right to Work laws on the books, federal forced-dues repeal has momentum on its side. But to take advantage of the opportunity, we need to keep raising the pressure on the politicians," Mr. Mix concluded. 📧



Obeying the dictates of AFL-CIO czar Richard Trumka (inset) and other union bosses, New York Sen. Kirsten

Gillibrand (D) opposes the National Right to Work Act. But she is having a difficult time saying why.

# Government Union 'Victory' Hurts Public Workers

## Massive Job Losses in Ohio Since 2010 a 'Predictable Outcome'

Two years ago this month, Wisconsin and Ohio made history by becoming the first two states to adopt legislation revoking government union bosses' privilege to force public servants to pay union dues or fees as a condition of employment.

Wisconsin's Act 10 protected the Right to Work of most state and local government employees, but left the forced-dues privileges of most public-safety union bosses untouched. Act 10 also sharply curtailed the monopoly-bargaining control of most government union bosses over public servants' pay, benefits, and work rules. But most public-safety union bosses were exempted from this rollback as well.

Ohio's Senate Bill 5 was more comprehensive. It eliminated compulsory union dues and fees and greatly narrowed the scope of union monopoly bargaining across the public sector, with no public-safety exceptions.

After Act 10 and S.B.5 were approved, Big Labor mounted massive and lavishly-financed campaigns to overturn both measures.

### From 2010 to 2012, Public Employment in Ohio Fell by 12.0%

Union bosses' legal and political efforts against Act 10 have so far had little success. Litigation against this statute is still pending, but for the time being Act 10 appears to have survived the union onslaught.

In Ohio, on the other hand, government union chiefs were able to use a petition campaign to prevent S.B.5 from ever taking effect, and in November 2011 they managed to wipe it off the books in a statewide referendum battle.

The multimillion-dollar TV advertising blitz union bosses deployed against S.B.5 (re-labeled for the referendum as "Issue 2") predicted that, if Ohio voters allowed this law to take effect and remain on the books, vast numbers of teachers, policemen and firefighters would lose their jobs.

In reality, S.B.5 would not have reduced in any way the amount of money local governments receive from the state to maintain their schools and public-safety departments.

It would, however, have allowed elected officials to use the money they have at their disposal more effectively by curtailing government union bosses' monopolistic power to obstruct needed reforms in compensation and work-rule policies.

State-by-state public employment data for the last three years compiled and published by economists Barry Hirsch and David Macpherson show that the result of Big Labor's "victory" in Ohio has been greater public-sector job losses than would have occurred if Big Labor had been defeated.

Ohio public employment in 2010, the year before S.B.5 was enacted, was just under 725,100. Public employment subsequently fell to roughly 681,500 in 2011 and 638,400 in 2012. That amounts to a 12.0% decline over two years.

### Wisconsin Has Experienced A Far Smaller Drop in Public-Sector Jobs

National Right to Work Committee Vice President Mary King called the plummet a "predictable outcome."

"Wisconsin, where union bosses were unable to prevent Act 10 from taking

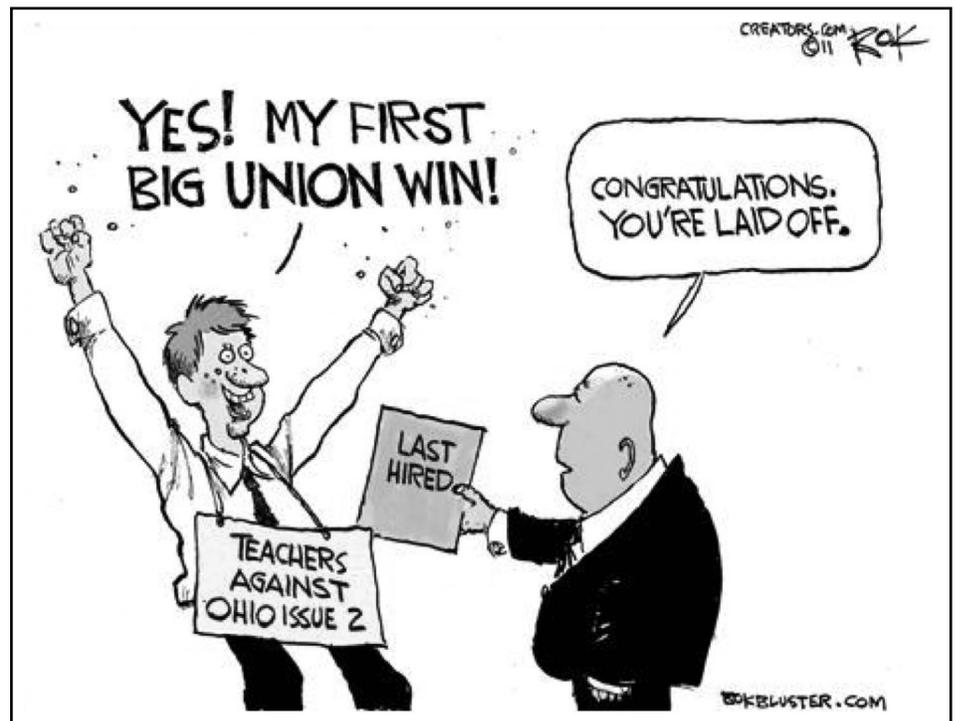
effect, and so far haven't managed to overturn it, experienced just a 1.2% decline in public employment from 2010 to 2012 -- less than a quarter the national average," she noted.

"Generally speaking, when governments need to economize, the preferable course is to reform the way employees are compensated rather than to cut jobs.

"In Wisconsin, compensation reforms have enabled the state government to eliminate a multibillion-dollar budget deficit without substantial job losses.

"At the same time, Wisconsin has allowed most public employees to decide for themselves whether any union deserves their financial support. The dues-paying membership of government unions fell by roughly 20% from 2010 to 2012, even though public employment fell only slightly.

"Meanwhile, in Ohio, the number of unionized government employees fell by 16% due to job losses, rather than individual employees' choices. By any reasonable standard Ohio has been a pyrrhic victory for the union brass." 📞



In November 2011, government union bigwigs defeated Issue 2, thereby wiping Ohio's public-sector Right to Work law

off the books. Since then, tens of thousands of Buckeye State public employees have lost their jobs.

# Kentucky Employees Need the Right to Work

## Hearing on H.B.308 a 'Good First Step'; Roll-Call Vote Important

For the first time in seven years, members of the Kentucky House of Representatives have held a hearing at the state capitol in Frankfort regarding legislation (H.B.308) that would protect employees' freedom to hold a job without being forced to join or pay dues or fees to a labor union.

H.B.308, the Kentucky Right to Work Act, would make it illegal to fire or deny employment to anyone simply because he or she refuses to bankroll an unwanted union.

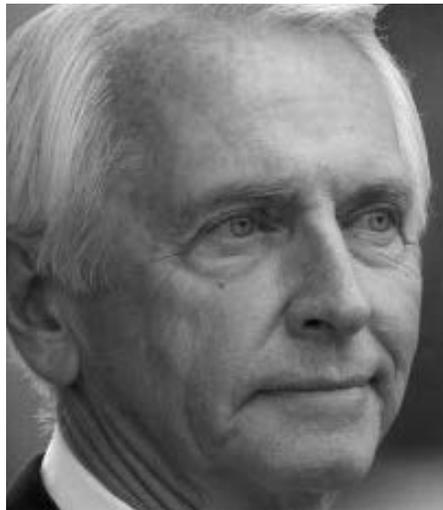
The House Labor and Industrial Committee debated this measure, sponsored by Rep. Jim DeCesare (R-Bowling Green), on February 21.

### Kentucky's 2001-2011 Real Compensation Growth: 41% of Right to Work State Average

"For years, scientific polls have shown that the vast majority of Kentuckians agree that the individual employee's freedom to join or not join a union should be equally protected under the law," said Matthew Leen, vice president of the National Right to Work Committee.

"Unfortunately, the status quo in Kentucky is far from evenhanded.

"It's illegal under all circumstances for employers to fire employees for joining and/or financially supporting a union. But current policy authorizes and encourages employer/union-boss pacts to fire employees who refuse to financially support a union they would never join voluntarily."



CREDIT: GETTY IMAGES

**Pro-forced unionism Democratic Gov. Steve Beshear can't halt Right to Work progress in Kentucky.**

Union-label Gov. Steve Beshear (D) and other apologists for forced-unionism workplace schemes in Kentucky find it hard to explain why, in principle, the right not to support a union is less deserving of legal protection than the right to join.

That's why they frequently insinuate that, however good the Right to Work laws now on the books in 24 states may seem from a moral perspective, enacting such a law would somehow hurt Kentucky's economy.

But the facts just get in their way. States that already have Right to Work laws benefit economically from prohibiting forced union dues and fees.

For example, from 2001 to 2011, private-sector outlays for employee wages, salaries, bonuses, and noncash compensation grew by an inflation-adjusted 12.0% in the 22 states that had Right to Work laws on the books at that time.

That's well over double real private-sector compensation growth in Kentucky over the same period, and quadruple private-sector compensation growth in forced-unionism states as a group.

### Roll-Call Votes Let Freedom-Loving Citizens Know Where Their Politicians Stand

"The main reason for Kentucky to pass a Right to Work law is that forced unionism is just plain wrong," said Mr. Leen.

"But history suggests the Bluegrass State will experience accelerated employee compensation growth, relative to other states, after a Right to Work law is adopted."

Mr. Leen called last month's panel hearing on H.B.308 a "good first step," but emphasized that floor roll-call votes on Right to Work in both chambers of the Kentucky Legislature are also needed.

Some well-intentioned advocates of making Kentucky a Right to Work state suggest that, since forced-unionism proponent Steve Beshear's gubernatorial term won't expire until the end of 2015 and Big Labor politicians currently control the state House, there is no point in voting on H.B.308.

Mr. Leen explained why this view is mistaken: "As many National Committee members know, before a 54-44 majority in Indiana's House of Representatives finally voted to adopt a state Right to Work law in 2012, union lobbyists had thwarted efforts to pass forced-dues bans through the chamber in 2004, 2006, 2008 and 2010.

"These 'failed' votes were absolutely critical for Indiana's ultimate passage of the 23rd state Right to Work law, because they let freedom-loving citizens know where their politicians stood.

"By far the most promising approach for making Kentucky the next Right to Work state is to follow the Indiana model." 📞

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[www.nrtwc.org](http://www.nrtwc.org)

March 2013

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# Another U.S. Senate Showdown Over NLRB Looms

## *Right to Work Legal Victory Could Be Undone on Capitol Hill*

Early in his first presidential term, Barack Obama began using and abusing his constitutional authority to make "recess" appointments to avoid seeking the U.S. Senate's advice and consent as he packed the powerful National Labor Relations Board (NLRB) with radical proponents of monopolistic unionism.

But this January 25, the U.S. Court of Appeals for the D.C. Circuit cried halt.

A panel of three judges, echoing several arguments previously made before the federal bench by a National Right to Work Legal Defense Foundation attorney, unanimously found that the President had violated the Constitution in making three "recess" appointments to the NLRB in early January 2012.

At the time Mr. Obama made his putative "recess" appointments, the ruling concluded, the Senate was not adjourned, as that term is defined in Article I, Section 5 of the Constitution.

The decision also soundly rejected Obama Administration lawyers' contention that Article I, Section 5's definition of "adjourn" can't be used to restrict the President's appointment power.

According to the legal reasoning adopted by two of the panel's judges, President Obama's 2010 "recess" appointment to the NLRB of radical union lawyer Craig Becker was also unconstitutional. However, the Becker appointment was not under challenge in this particular case (*Noel Canning*).

### **'We Expect the Democrats To Use Every Option' to Get NLRB Nominees Rubber-Stamped**

Right after the D.C. Circuit ruling was issued, Obama-selected NLRB Chairman Mark Pearce vowed basically to ignore it unless and until it was upheld by the U.S. Supreme Court.

But thanks in part to the vigilance of National Right to Work Foundation attorneys in taking full advantage of the *Noel Canning* decision, it now appears that in order to continue helping union officials dragoon workers into unions, the NLRB will have to have at least three licitly appointed members.



**Committee President Mark Mix (right): Now that a federal court has set back President Obama's scheme to use phony,**

**unconstitutional "recess" appointments to pack the NLRB with forced-unionism militants, a Senate battle is coming.**

That's why Big Labor is now grimly determined to get a legal NLRB quorum installed as soon as possible.

Top union bosses are demanding that Senate Majority Leader Harry Reid (D-Nev.) act without delay to "resolve" the "impasse in Washington over the National Labor Relations Board," according to the Marxist publication *People's World*.

Union bigwigs express confidence that, as the head of a 55-member caucus in a 100-member chamber, Mr. Reid should have little trouble ramming through the President's recently resubmitted NLRB nominations of unconstitutional "recess" appointees Richard Griffin and Sharon Block.

### **Union Bosses Want NLRB to Give Them Access to Union-Free Workers' Phone Numbers**

And Communications Workers of America (CWA/AFL-CIO) union czar Larry Cohen has put the union hierarchy's stance on the record:

"We expect the Democrats to use every option . . . to prevent [pro-Right to Work] Republicans from blocking" the nominations of ex-union lawyers

Griffin and Block, as well as other forced-unionism radicals.

"Until the D.C. Circuit interceded, the NLRB had been expected early this year to impose sweeping changes to the longstanding procedures under which Big Labor may obtain monopoly-bargaining power over workers," said National Right to Work Committee President Mark Mix.

"Among the proposals the Obama NLRB has been considering are new rules mandating that the employer hand over employee phone numbers and e-mail addresses to union organizers at the outset of each certification campaign.

"If Harry Reid succeeds in doing the union brass's bidding and procures rubber-stamps for the pending NLRB nominations of Richard Griffin and Sharon Block, this scheme will almost surely come to fruition soon thereafter.

"That's why the Committee is now preparing to mobilize our 2.8 million members to turn up the pressure on their senators to oppose the Griffin and Block nominations on all votes.

"And genuine opposition to these extremist selections must include votes against 'cloture' motions to end debate on the nominations, as well as against their final approval." 📞

# 'Stop Letting Them Get Away With Murder'

## *Federal Compulsory-Dues Repeal Would Deter Big Labor Corruption*

On February 7, a former shipping terminal operator in Newark, N.J., and Brooklyn, N.Y., filed suit against International Longshoremen's Association (ILA/AFL-CIO) union czar Harold Daggett, a number of other ILA union bosses, and several of their alleged coconspirators.

American Stevedoring, which used to run Brooklyn's Red Hook Marine Terminal, sued Mr. Daggett and company in U.S. District Court in Manhattan under federal anti-racketeering law.

The suit alleges that the defendants constitute an organized crime-connected "Waterfront Group" engaged in "extortion, bribery, fraud, embezzlement, and other forms of racketeering."

American Stevedoring Chairman Sabato Catucci charges that Mr. Daggett and his cohorts forced his company out of the terminal operating business "after it refused to go along with their racketeering schemes."

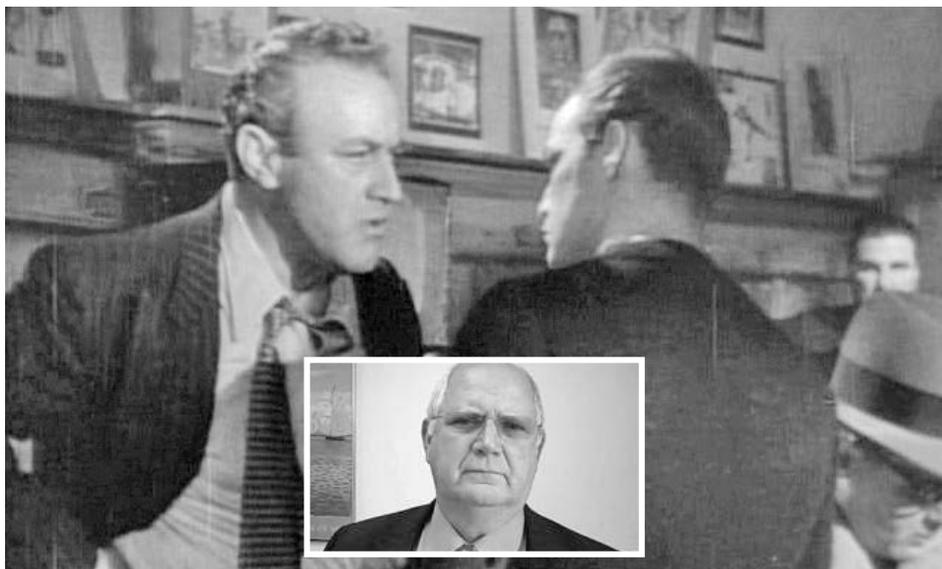
### **Agree to Go, or You Will Be Taken Out of the Terminals 'in a Box'**

American Stevedoring allegedly incurred the wrath of the ILA hierarchy in part by resisting union-boss demands to increase the number of "no-show" and "low-show" jobs at dock worksites.

According to the lawsuit, the "additional workers would not show up for work or, if they did, would disappear for extended periods, but nonetheless, under the [monopoly bargaining agreement], American would remain responsible to provide full pay as if such additional workers had worked the entire day."

Time and again, ILA chieftains "used the no-show/low-show scheme at American's expense to divert the additional payroll to organized crime for the payment of 'tributes' and 'kickbacks.'"

After failing to strong-arm Mr. Catucci into going along docilely with the no-show/low-show scheme and other illegal practices that hurt consumers and honest workers as well as terminal operators, Harold Daggett and his lieutenants decided to drive him and his company out of the port sector.



CREDIT: COLUMBIA PICTURES CREDIT: JOURNAL OF COMMERCE VIDEO

**The corrupt and mobbed-up unionism that the movie classic *On the Waterfront* vividly depicted is still being perpetrated**

**today by ILA union czar Harold Daggett (inset), charges a federal lawsuit filed last month.**

In August 2011, ILA Vice President Louis Pernice and ILA-"friendly" shipping/trucking firm owner Michael Farrino allegedly told Mr. Catucci that, if American refused to sign a "succession agreement" and thus accept ejection from the ports, he would be taken out of the terminals "in a box."

The lawsuit charges that Mr. Pernice and Mr. Farrino made this and other threats at the behest of Mr. Daggett "and/or [Daggett] associates who are affiliated with organized crime."

### **Tarnished House of Labor Can Be Cleaned by Workers Exercising Free Choice**

"Frankly, the allegations made in the American Stevedoring lawsuit come as no surprise," said Greg Mourad, vice president of the National Right to Work Committee.

"Published reports of mob control over ILA union locals go back at least seven decades. Dozens of ILA officers have been indicted in recent years on racketeering charges. The question is, why is ILA corruption, as harmful as it is to honest workers, businesses and the public, allowed to continue?"

"A lucid answer to this question was furnished nearly 60 years ago by Father Barry, a fictional character closely based on a real Jesuit who in the 1940's took up

the cause of the dock workers victimized by the ILA brass and the mob.

"In the 1954 Academy Award-winning picture *On the Waterfront*, Father Barry, as played by actor Karl Malden, tells the longshoremen: 'The only way we can break the mob is to stop letting them get away with murder.'

"The immediate context of this famous line relates to workers' personal responsibility not to give into fear or allow themselves to be compromised by evildoers.

"But it also clearly applies to the U.S. Congress, which since the 1930's has aided and abetted mob infiltration of the ILA and other unions by promoting Big Labor monopoly control over employment.

"To launch an effective, albeit belated clean-up of ILA-controlled ports, Congress should pass the National Right to Work Act [S.204/H.R.946], which would repeal all federally-imposed compulsory union dues and fees.

"This bill would empower honest workers to punish corruption by refusing to join the union in the first place or quitting the union and cutting off their financial support.

"And workers who are so empowered could actually begin to 'break the mob' that has for decades undermined liberty and the rule of law in many American port cities." 📢

# Proposal 2 Backfired on UAW Officials

Continued from page 8

transplants, UAW bosses grudgingly allowed some work-rule and benefit reforms. But it was too little, too late.

## Far More Than Any Other State, Michigan Has Suffered Due to UAW Bosses' Malpractice

In 2009, GM and Chrysler, two-thirds of the Big Three, went bankrupt. Having raked in billions and billions of dollars in bailout money from the Obama Administration and the second Bush Administration, both companies are still in business.

But domestic manufacturing employment for the Big Three is now but a shadow of what it once was, largely because of UAW bosses' malpractice.

And since Michigan is the historic hub of the Big Three and their suppliers, it has suffered far more than any other state as a consequence of the UAW elite's folly.

From 2002 to 2012, private-sector employment in the Wolverine State fell by nearly 330,000, or roughly 9.1%, according to Drs. Hirsch and Macpherson.

That decline is by far the worst in the country. And it is a result not just of the direct harm inflicted by UAW and other Big Labor bosses, but also of the anti-job creation climate they

promoted through their forced union dues-funded political activities.

"Over the past decade, more and more Michiganders came to recognize that their state required fundamental reform in order to get its economy back on track," noted National Right to Work Committee President Mark Mix.

"And, thanks largely to the efforts of Committee members and supporters in the state, more and more Michiganders came to learn about the strong evidence indicating their state could revive its job and income growth by passing Right to Work legislation."

## Indiana's February 2012 Approval of a Right to Work Law Was a Catalyst

Mr. Mix continued: "Bob King, a lifelong UAW professional who took over as international union president in 2010, knew that public support for Right to Work in Michigan was intensifying. And he knew mounting public disdain for the UAW hierarchy and what it had done to the state was a major reason why.

"In February 2012, after Indiana approved the 23rd state Right to Work law, Mr. King decided to mount a preemptive strike against Right to Work in Michigan."

Joined by a host of other union officials, the UAW brass concocted a November 2012 ballot initiative known as Proposal 2.

Had it been approved, Proposal 2 would have made it constitutionally impossible for Michigan's elected officials to adopt a Right to Work law or restrict substantially Big Labor's monopoly privileges in any other way.

Unfortunately for Bob King and his cohorts, the people of Michigan refused to go along. And Proposal 2's defeat by 57.4% of Michigan voters actually emboldened many elected officials who had been sitting on the fence to support Right to Work.

In the end, Proposal 2 backfired on Mr. King and company.

On December 11, 2012, in two separate votes, the Michigan state House approved private- and public-sector Right to Work measures that had been adopted a few days earlier by the Senate. Hours later, Gov. Rick Snyder signed both bills into law.

## Union Brass Determined to Overturn Right to Work Law, by Hook or by Crook

But the battle for Right to Work in Michigan is hardly over. Time and again, UAW and other union bigwigs have made it plain they are far from ready to accept the decision of Michigan's Legislature and governor.

On January 15, for example, the CBS News affiliate in Detroit reported on Mr. King's prediction that Michigan's Right to Work law would be "overturned":

"We're looking at all the options -- legal challenges, legislative processes, citizen initiatives, and we'll look together and say, what's the most effective way?" Mr. King boasted.

Mr. Mix vowed that attorneys for the Committee's sister organization, the National Right to Work Legal Defense Foundation, would help shield Michigan's Right to Work statute from union lawyers' attacks.

He also promised to help mobilize the vast majority of Michiganders who support Right to Work during any and all future campaigns in which Big Labor is seeking to retaliate against Michigan elected officials for opposing forced union dues.

"Right to Work supporters in Michigan and nationwide won't rest on their laurels," he concluded. 📧



CREDIT: TRUCKTREND.COM

Today, roughly 800,000 Americans hold jobs with open shop auto and auto-parts makers. They prove you can still make

money building cars and trucks in the U.S. And their jobs are located mostly in Right to Work states.

# Leading the Charge to Reinstate Forced Unionism

## *Michigan's New Right to Work Law Menaced by UAW Union Offensive*

Although U.S. manufacturing payroll employment has rebounded by 4.5%, or roughly 510,000, since the beginning of 2010, the long-term decline in the number of American factory jobs remains a subject of deep concern for journalists, politicians, and ordinary citizens.

As many observers have pointed out, part of this decline is clearly inevitable.

To start with, worker productivity growth in the manufacturing sector has long outpaced productivity growth in services, but at the same time global demand for services has increased far more rapidly than global demand for manufactured goods.

However, countless millions of the American manufacturing job losses in recent decades were not inevitable, but rather the result of misguided public policies. Among these policies, federal support for compulsory unionism is perhaps the most destructive.

Fortunately, Right to Work laws now on the books in 24 states have mitigated, and continue to mitigate, the economic harm inflicted by federal policies that prop up forced unionism.

### **Counterproductive Big Labor Work Rules Render Employees Uncompetitive, Wipe Out Jobs**

It is an incontestable fact that manufacturing workers who are subject to compulsory unionism have for decades suffered net job losses far more severe than those endured by union-free manufacturing workers.

Between 2002 and 2012, for example, the number of unionized manufacturing jobs in the U.S. fell from 2.557 million to 1.466 million, or 42.7%, according to a database maintained by economists Barry Hirsch and David Macpherson.

The percentage decline for nonunion manufacturing jobs over the same period was less than one-third as great.

Moreover, from 2009 to 2012 alone, again according to Drs. Hirsch and Macpherson, union-free manufacturing jobs increased by 5.1%, while unionized factory employment fell by 8.1%.

Counterproductive work rules that manufacturing union bosses, wielding their monopoly-bargaining privileges under federal law, have imposed and



CREDIT: MANDEL NGAN/AGENCE FRANCE-PRESSE/GETTY IMAGES

**Wasteful work rules that UAW union bosses like current chieftain Bob King (shown here with President Obama)**

**insisted on for decades nearly destroyed the Michigan economy along with the Big Three automakers.**

maintained for decades are the key reason for this disparity.

And top bosses of the United Auto Workers (UAW/AFL-CIO) have been some of the very worst offenders.

Compared to nonunion "transplant" factories located in the U.S. and owned by companies like Toyota, Nissan, Honda, Hyundai, and BMW, UAW-controlled plants owned by GM, Chrysler and Ford (collectively labeled "the Big Three") have had chronically less efficient manufacturing systems and worse labor relations.

As of 2003, roughly two decades after the transplants emerged as serious competition for the Big Three, GM, Chrysler and Ford took an average of eight more hours to make a vehicle at their north American plants than did Honda, Nissan and Toyota.

Extra manufacturing time alone added a cost of \$300 to \$500 a vehicle for the Big Three.

### **Wage Rates a Minor Factor In Unionized Jobs' Decline**

UAW-negotiated contracts required rigid job classifications that wasted time and money, ultimately to the detriment of workers' paychecks and job security.

Just a few years before GM and Chrysler went broke, under the UAW contract, a "skilled tradesman" could be required to change a fuse in an assembly-line machine, although virtually any assembly-line worker could be trained to do the job.

Furthermore, managers could not assign additional work to employees who had begun working faster after mastering a task without entering into a potentially lengthy "consultation" with a UAW official.

Over the years, UAW officials also wielded their monopoly-bargaining privileges to put in place and perpetuate inefficient health-insurance and pension systems whose high costs ate up revenues that the Big Three needed to be investing in research and development of new products.

By comparison with productivity-squashing UAW work rules and needlessly costly benefit packages, wage rates were barely a factor in unionized jobs' decline.

As it became increasingly apparent over the years that the Big Three automakers were being crushed by competition from union-free

*See Proposal 2 page 7*